



ICEI Instituto Complutense
de Estudios Internacionales



Assessment of the EC Development Policy

DPS Study Report

Final Report

18 February 2005



EUROPEAN CENTRE FOR DEVELOPMENT POLICY MANAGEMENT
CENTRE EUROPÉEN DE GESTION DES POLITIQUES DE DÉVELOPPEMENT



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The European Centre for Development Policy Management (ECDPM) aims to improve international cooperation between Europe and countries in Africa, the Caribbean, and the Pacific.

Created in 1986 as an independent foundation, the **Centre's objectives** are:

- to enhance the capacity of public and private actors in ACP and other low-income countries; and
- to improve cooperation between development partners in Europe and the ACP Region.

The Centre focuses on **four interconnected themes**:

- Actors & Governance
- ACP-EU Trade Relations
- Development Policy & EU External Actions
- Development Cooperation & Capacity

The Centre collaborates with other organisations and has a network of contributors in the European and the ACP countries. Knowledge, insight and experience gained from process facilitation, dialogue, networking, infield research and consultations are widely shared with targeted ACP and EU audiences through international conferences, focussed briefing sessions, electronic

Our recent experience includes work on:

- The political dynamics of the EU and their influence on EC development policy;
- Evaluations of Country Strategy Papers and on the 3Cs joint evaluation conducted by the Heads of Evaluation of the European Commission and EU Member States;
- Multi-stakeholders processes: analyses and the facilitation of dialogue.
- Support to ACP countries and regional organisations on programming, implementation and mid-term reviews.

The Instituto Complutense de Estudios Internacionales (ICEI) is one of Spain's leading think tanks on international affairs. Its Development and Cooperation (DC) department is the largest and most active at ICEI, encompassing both training and research activities. The DC department team includes several of the country's top specialists who have carried out policy-oriented studies for national and international private and public organizations. One of the department's chief strengths is in EU-Latin American development cooperation, although it also has experience related to aid policy analysis, the promoting of economic development, aid and poverty reduction issues, and on the security/conflict resolution and development nexus ICEI'S recent work on EU-developing country relations and cooperation has focused on:

- Policy coherence for development
- EU Trade policy and poverty reduction in Latin America
- The EU's long-term policy towards Latin America
- Social cohesion in EU cooperation with Latin America
- A framework for support to Middle Income Countries

The Overseas Development Institute (ODI) is Britain's leading independent think-tank on international development and humanitarian issues. Our mission is to inspire and inform policy and practice which lead to the reduction of poverty, the alleviation of suffering and the achievement of sustainable livelihoods in developing countries. We do this by locking together high-quality applied research, practical policy advice, and policy-focused dissemination and debate. We work with partners in the public and private sectors, in both developing and developed countries.

ODI works on a vast range of development related topics and has worked for considerable time in a number of key areas of EU policy towards developing countries both within and beyond the Lomé/Cotonou Partnership. ODI has a long-standing and widely recognised expertise in research on EU development assistance and issues related to the development impact of EU trade policy.

ODI's recent work on EU-developing country relations includes:

- European Development Cooperation to 2010. ODI is one of the central actors in this EADI project, which identifies and analyses the key decisions in development policy in the next decade on the European level.
- Expertise on economic relations between the EU and developing countries, *inter alia* on prospective Economic Partnership Agreements (EPAs) within the Cotonou Framework. ODI's continuous engagement with the EPA discussion dates back to the Green Paper on the Future of EU-ACP relations 1997. The institute is closely linked to the European and UK debates, having hosted a meeting series on European development policy with the participation of – *inter alia* – EU Commissioner Chris Patten and several UK ministers. Additionally, ODI researchers have given evidence to various Parliamentary enquiries related to EU development cooperation.

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N.B.: The powerpoint presentation is available in a separate file.

List of Acronyms

3CS	Co-ordination, Complementarity and Coherence
AA	Association Agreement
ACP	Africa, Caribbean and Pacific
ADE	Aide à la Décision Economique
ALA	Asia and Latin America
AOR	Annual Operational Review
AR	Annual Report
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meetings
ATA	Afghanistan Transitional Authority
CAP	Common Agricultural Policy
CARDS	Community Assistance for Reconstruction Development and Stabilisation
CD	Christian Democrat
CFSP	Common Foreign and Security Policy
CPA	Cotonou Partnership Agreement
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DCEC	Development Cooperation and Economic Cooperation
DCG	Development Cooperation Group
DFID	Department for International Development
DG	Directorate - General
DPS	Development Policy Statement
DRN	Development Researchers' Network
E&sa	Eastern and Southern Africa
EAR	European Agency for Reconstruction
EBA	Everything-but-Arms
ECDPM	European Centre for Development Policy
EDF	European Development Fund
EEC	European Economic Community
EEPA	Europe External Policy Advisors
EIB	European Investment Bank
EIDHR	European Initiative for Democracy and Human Rights
ENPI	European Neighbourhood Policy Instrument
EP	European Parliament
EPA	Economic Partnership Agreement
EPC	European Policy Centre
EPP	European People's Party
ESS	European Security Strategy
EU	European Union
EUD	European Union Department
FC	Financial Cooperation
FDI	Foreign Direct Investment
FYROM	Former Yugoslav Republic of Macedonia
GAERC	General Affairs and External Relations Council
GFATM	Global Fund to fight HIV/AIDS, Tuberculosis and Malaria
GNP	Gross National Product
Govts	Governments
GSP	Generalised System of Tariff Preferences
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
HoL	House of Lords (UK)
ICEI	Instituto Complutense de Estudios Internacionales
ICT	Information and Communication Technology
IFI	International finance institution
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession
iQSG	Inter Service Quality Support Group
JAR	Joint Annual Report

List of Acronyms

LDC	Least Developed Country
LIC	Low-Income Country
LRRD	Linking Relief, Rehabilitation and Development
MDG	Millenium Development Goal
MEDA	Financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership
MEP	Member of European Parliament
MFA	Ministry of Foreign Affairs
MIC	Middle-Income Country
MIP	Multiannual Indicative Programme
MoU	Memorandum of Understanding
MPRSP	Malawi Poverty Reduction Strategy Paper
MS	Member State
MTDP	Medium Term Development Plan
MTR	Mid-Term Review
MTRC	Mid term conclusions
NAO	National Authorising Officer
NDF	National Development Framework
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NIP	National Indicative Programme
NSA	Non-State Actor
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
PAF	Performance Assessment Framework
PALOP	Países Africanos de Língua Oficial Portuguesa
PERMREP	Permanent Representative
PES	Group of the Party of the European Socialists
PRSP	Poverty Reduction Strategy Paper
PSA	Public-Sector Agreements
RSP	Regional Strategy Paper
RSP-CA	EC Regional Strategy Paper for the Caribbean
RSP-CAN	Regional Strategy Paper for the Andean Community of Nations
RSP-LA	EC Regional Strategy Paper for Latin America
SAA	Sub-Saharan Africa
SADC RSP	EC Regional Strategy Paper for SADC
SADC	Souther African Development Community
SAP	Stabilisation and Association Process
SME	Small and Medium-Sized Enterprise
SSA	Sub-Saharan Africa
SWAPs	Sector-Wide Approaches
TACIS	Technical Assistance for the Community of Independant States
TC	Technical Cooperation
TDCA	Trade, Development and Cooperation Agreement (with South Africa)
TEC	Treaty on the European Community
TEU	Treaty of the European Union
ToR	Terms of Reference
TRTA	Trade Related Technical Assistance
UK	United Kingdom
UN	United Nations
USA	United States of America
USAID	United States Agency for International Development
WB	World Bank
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

Nota Bene on the Regional Scope of this Study

While development is clearly no longer the focus of EC cooperation with the Balkan countries, as is reflected in the recent institutional changes in the European Commission, the Study Team has chosen to include this region in the scope of the study for the following reason:

Although the precise area to which the EC Development Policy Statement applies is not explicitly mentioned in the document itself, the Study Team has based its approach on the assumption that the Statement applies to all developing countries according to the OECD/DAC classification. This is felt to be justified by the fact the Communication of the European Commission of April 2000¹, which was the basis of the November 2000 Statement, mentions in its introduction that: *“the framework proposed in this Communication relates to the Community’s development policy in relation to all countries that can be regarded as developing countries...By way of example, reference is made to the list of developing countries developed by the Development Assistance Committee of the OECD [included in annex to the Communication]”*.

Furthermore, this assessment is essentially a historical study which takes the year 2000 as its starting point. It therefore looks at EC development cooperation and its full regional scope at that point in time and considers changes since then.

The Study Team is thus aware the situation in terms of EU policy toward the Balkans has evolved significantly since 2000 and that any study looking at the present policy context in 2005 would probably need to take a different perspective. The inclusion of the Balkans as one of the regions covered in the Study should therefore not be interpreted in any way, as a comment on current or future EU policy towards the Balkans region.

¹ COM(2000) 212 final

Executive Summary

1. The European Commission and the Council issued a joint Statement on EC Development Policy (DPS) in November 2000. The statement was a landmark in that it was the first such overall development policy paper for the EC, but it was equally significant in that it was published at the start of a period of far reaching reforms in EC external assistance. A high-level policy statement of this nature is expected to perform a number of tasks. It is first of all a statement of intent against which action can be measured and accounted for, but it is also a rallying point around which various actors and stakeholders can unite in a common effort and provides an overall framework for continuing policy debate. As European development cooperation interacts with a wide variety of actors both in Europe and in a large number of partner countries overseas, achieving a single overall policy statement that is relevant and useful for all these various interests is not necessarily straightforward.

2. The **purpose of this study** is to assess the extent to which the EC's DPS has been put into effect over the four years of its existence, consider what impact it has had and to identify any bottlenecks that might have impeded the implementation of the policy it lays out. The analysis of the DPS is done with reference to a series of hypotheses about the role of such statements and to similar documents of other key donors and pointers from the OECD/DAC. The evidence collected was drawn from (i) a review of EC policy and programming papers (official communications, guidelines, working documents and reviews emanating from EC headquarters; regional and country strategy papers for a sample of 23 partner countries and regions, evaluation reports, etc;) and external documents about EC external assistance, (ii) a set of some 65 interviews with EU actors in Brussels and national European capitals, and (iii) some 40 responses to questionnaires sent to EC delegations, government officials and non-state actors in the case study countries. The study also considered the changing context of EC development cooperation both in international terms and in the EU itself.

3. **The overall assessment of the study is generally positive.** The DPS is seen as a valuable document which performs a variety of useful roles for different stakeholders. It compares satisfactorily with similar statements from other donors and it was well accepted by the development community including the DAC. Its principal value is that it is seen as a single authoritative statement of the policy of the EC that provides guidance and sets out a limited number of objectives and priorities that can be used at different levels in EU development cooperation. From the point of view of many key actors it captured the discussions on international development in 2000 satisfactorily and outlined a useful and pertinent role for the EC at the time. In general terms it remains up to date and relevant four years on. The main priorities formulated in the DPS, the prime focus on poverty and the principle of concentrating assistance in a limited number of areas, are still ones around which a large proportion of actors come together.

4. However, **two major factors have had an impact on the discussion of development policy since 2000** and are thus not adequately reflected in the DPS. First, the Millennium Summit and its **Millennium Development Goals** have become widely accepted as key guidelines for development cooperation and thus represent an important international consensus which could usefully be reflected in the DPS. In a number of aspects the discussion about poverty focussed development cooperation has been refined in the last couple of years (Monterrey, WSSD, increased efforts on donor harmonisation, etc.). These elements need updating in the DPS, even though the fundamental principles and direction of the debate have not changed. Equally the study found that while the EC has, since 2000, drafted a good number of more specific policy statements on different aspects of development these were by and large compatible with the DPS framework. Second, the circle of potential addressees of a policy document on development has enlarged beyond the development community. Post 9/11, security concerns in Europe and the discussion of development policy from a security perspective have had an impact which prompts the need for a development perspective on security, so as to **better argue for the position of development policy in the EU external action policy mix**. Other policy areas in the external relations 'family', such as security or migration, take an increasing interest in development cooperation, seeing it either as complementary to their agendas, or less satisfactorily, as a potential instrument or

even impediment. Development policy therefore needs to state its objectives, principles and unique value in a more pro-active way and address groups beyond the specialist development community. The DPS could usefully be updated to contribute to these debates.

5. Our study noted **the varying degree to which the DPS is referred to in EC policy documents across regions**. It is more frequently referred to in the ACP region than in other regions. However, the principles it embraces (poverty, focal areas, ownership, etc.) can be found across all regions. With regard to key policy documents the focal areas and cross-cutting issues concepts, central features of the DPS, are widely used as points of reference. There was a widespread view that the DPS has done a lot to raise the profile of the poverty focus and most respondents agreed that this needed to remain the primary objective of EC development cooperation. However, poverty reduction was not always found to be the main concern in all the country strategies that we examined and there is a feeling that the way the DPS approaches poverty is most appropriate for the ACP countries and less so for several others. A more differentiated approach to poverty, which also allows for other concepts such as a 'social exclusion' approach or the link between security and development in post conflict situations, would be beneficial.

6. In the case of the **focal areas**, the study found that the principle of concentration is much more widely accepted than the actual six focal areas chosen for the EC in the DPS. Nevertheless, the fact that it identified some areas of concentration was seen as a success at the time in 2000. In practice while several of these six focal areas are regularly found in the country strategies they are often adapted or given less emphasis in favour of introducing local priorities. Many officials, MEPs, some Member States and external experts argued for more flexibility in the definition of focal areas so as to allow for more space for country prioritisation. Partner country governments in our sample, on the other hand, felt that the formulation in the DPS allowed for sufficient flexibility to allocate country priorities. The **principle of concentration per se was not questioned**, but the comparative advantage of the EC in any particular focal sector and the link to poverty reduction were not consistently argued in the case studies we examined.

7. Discussion on the **comparative advantage** of the EC has moved only marginally since the DPS was published. The DPS itself hardly covered the subject even though the April 2000 Communication did explore the question. The study found however, that respondents did consider the issue important and clearly made the link with the choice of areas of concentration. At the same time there was a sense that the discussion was not progressing and that some form of definitive statement would be useful. In fact a more careful analysis shows that respondents did come up with some new ideas on comparative advantage that were not in the April 2000 Communication. By and large these could be linked to evolutions in the role of the EC notably with new areas of competence and the growing importance of other domains of EU external action. The Study suggests that one way forward in this debate would be to recognise that there are three distinct categories of comparative advantage which offer varying degrees of scope for policy measures. Comparative advantage can thus be based on :

- a. *Objective characteristics of the EC as a donor* which includes points such as the scale of the EC as a donor and of the volume of funds it can deploy; its global reach, its extensive use of grants rather than loans, its broad range of instruments that potentially allow for integrated approaches; its specific own experience in certain areas such as regional intergration and its areas of competence. These objective features can most clearly be built on and exploited as areas of comparative advantage.
- b. *Points dependent on the political will of Member States* constitute a second category which essentially revolve round the idea of using the EC as a focal point for collective action in development. There are clearly efficiency gains to be had here and if the MS were willing to use the EC in this way this could become a real comparative advantage, but achieving this end is not in the hands of the Commission but rather depends on political dialogue between the MS and the EC

- c. *Relative and subjective characteristics* of the EC as a donor constitute the third category. Typical of this group is the idea that the EC is more politically neutral as a donor and that its European values are a comparative advantage, but these characteristics depend on one's point of view and they are relative to what other donors do and can therefore change over time. As a result they form a weaker base upon which to build policy. Interestingly the political neutrality of the EC was the most widely cited comparative advantage during our research and yet it is one of the least easy to use with any degree of certainty in order to help determine areas of work on which the EC should concentrate.

8. As regards the notion of **cross-cutting or horizontal issues**, the impact of the DPS remains limited. The principle of mainstreaming of cross-cutting issues was again seen as generally acceptable, but they are not always effectively integrated in strategies and programmes and implementation has proved problematic. Environmental issues and human rights are most often referred to in strategy documents and some respondents felt that a degree of success had been achieved with these two. But gender issues and particularly children's rights are not consistently picked up and implementation has been unsatisfactory. Lack of specialist staff, guidelines, resources, and lack of political will are the most commonly cited reasons for difficulties with their implementation. Conflict prevention and HIV/AIDS are both frequent features in strategy papers even though they are only marginally covered in the DPS. Some would argue that they should be considered as additional cross-cutting issues but there is also a feeling that too many cross-cutting issues make the concept unmanageable.

9. One of the principal **bottlenecks** to implementation of the DPS is a lack of ownership in certain Commission services and among certain key external stakeholders, such as in the EP or among NSAs. Externally the principles of the DPS are better known than the document itself. Internally, while the principles are generally widely accepted there is a reluctance among officials in certain services and notably parts of DG Relex, to use them extensively in their regional programmes as the statement is not seen as adequately matching their concerns and is only one of their frameworks of reference. These findings suggest a lack of adequate consultation in the preparation of the statement and the need for a greater communication effort since its publication. Some respondents also felt the DPS would have been easier to implement if it had been accompanied by more guidelines on its use and on how to approach key issues such as poverty. In fact, some guidelines on using the DPS in programming were circulated at a later stage.

10. **To sum up, key shortcomings of the DPS thus fall into two main areas** which should ideally be tackled if a new statement is to be produced:

- a. *Some currently important issues are not covered in the text.* The most notable lack is the link with the Millennium Development Goals that became cornerstones for development policy since the DPS was published in 2000. Secondly however the DPS needs to be updated with regard to the evolutions in the external actions policy debate in the EU and particularly the debate about security and development so that it is better able to represent the development sector in EU policy mix discussions.
- b. *The limited ownership of the DPS.* The text is seen as relevant by the broader development community and yet it is not well accepted in certain services of the Commission dealing with developing countries. This might be due to shortcomings in the process of drafting the DPS, where some actors might not have felt sufficiently involved, in particular in DG Relex and the European Parliament. In the case of DG Relex, it is also due to the fact that the DPS is one among other texts of equal importance they have to refer to such as the geographical regulations (TACIS, CARDS, ALA, MEDA, ...). Ideally the statement should have higher levels of ownership by all parts of the external services of the Commission and be widely accepted in the Parliament.

11. These aspects, that is updating and/or refining the content, plus adequate time for a **consultation process**, need to be taken into consideration when revising the DPS. Stakeholder consultation takes time, but is necessary to identify '*champions*' of the new DPS and assure its broad reach beyond the narrow development community and beyond an ACP focus. This is particularly necessary as both the international and the EU context for development cooperation have changed and development policy has to argue its principles and objectives in the larger arena of EU external relations. As is often suggested (notably by the OECD) the consultation and consensus building processes leading up to a policy statement are usually as important as the contents of the policy itself. Finally it is also important, in order to increase visibility and ownership, that once approved the document is given an adequate status in the public eye and some respondents suggested that it should be formally approved by the European Council itself and not just at the level of Development Ministers.

12. Based on the study's findings the research team developed **four options for the revision** of the DPS. One can imagine that the options are situated along a continuum from a short, high-level policy statement which only spells out key principles to, at the other end, a longer more detailed document which goes from principles right down to specific guidelines and even a work programme. The DPS from 2000 is somewhere in between these two extremes though closer to the first.

- a. The *first option* would then be to choose a middle point in the spectrum and essentially **review and update the current DPS**. One key choice will however have to be made on whether to fix focal areas or leave that to be determined at the country level.
- b. The *second option* would be to opt for a statement close to the **high-level policy** end of the spectrum and focus on a number of key objectives such as poverty reduction and the MDG, but also consider how development can most usefully interact with the other EU external action policies.
- c. A *third option* would be to go to the other end of the scale and seek to develop a **statement that is more detailed and practical** and gives practitioners more guidance for implementation. However, it is likely that such a statement would not be that helpful outside the development sector.
- d. A *fourth option* would be to **combine the second and third options and produce both a high level statement and a matching, more detailed, multi-annual strategy**. The former would provide the basis for coherence and policy-mix discussion in the EU external actions arena as well as the overall framework for EC development cooperation policy. The latter multi-annual strategy, which might also be combined in part with regional strategies, would provide the greater level of guidance than the current DPS that many development practitioners sought.

13. Finally, the review of the DPS will open up the question of the **complementarity** of EC aid with that of the Member States. Many of the persons the study team contacted were clear that this was an issue that could and should be pushed further as progress in the period of the current DPS had been disappointing despite the EC's move towards concentrating its activities on specific focal areas. Most respondents felt that it was necessary to be ambitious in this area, even it was unrealistic at this stage to move to a full EU DPS that also covered the bilateral programmes of Member States. It is possible, however, that given the greater degree of consensus emerging in the EU official development sector since Barcelona and Monterrey, a high-level policy paper as just described (options 2 and 4 above) might at least form the basis of an agreement on principles of development linked closely to the MDG that both the Member States and the EC could adhere to in their development cooperation programmes.

1 Introduction

1.1 Background & Purpose of the Study

1. It is now four years since the European Commission and the Council issued a joint Statement on EC Development Policy (DPS) in November 2000. This was based on a debate around a Communication² to the Council and European Parliament issued by the Commission in April of the same year, itself a product of one of the first development policy initiatives of the Prodi Commission. Now, as the new Barroso Commission takes office, it is appropriate to revisit this Statement and consider the role it has played in the intervening years, particularly as much has changed during this period, both in the EU and beyond in the wider world to which the DPS is part of the EU response. Such an assessment may then form one basis for any decision on its possible renewal.

2. The purpose of this study is to assess the extent to which the EC's DPS has been put into effect and to identify bottlenecks which may have hindered its implementation. The project does NOT, therefore, aim to provide an outline for a revised DPS to the Commission. It does, however, identify a good number of ideas, suggestions and elements that may contribute directly to that process.

1.2 Scope & Context

3. The joint EC Development Policy Statement of November 2000 is a landmark both by virtue of being the first document of its kind in the EC development sector, and because of the variety of functions it performs. It is first of all a statement of intent and the basic guidance around which the Commission has been expected to develop its strategies and programmes to implement its development cooperation mandate. At the same time, it is also both the product of a negotiated settlement between different actors involved in Europe's international development effort and the framework for continuing policy debate. As such it constitutes the starting point for more detailed policy work, the standard of accountability against which achievements have to be measured and the rallying point around which all the different actors in the European development sector can coalesce in their work. It is therefore not just the quality and content of the policy itself that are important, but equally the role the Statement plays in building consensus and support for an agreed way forward. This is particularly important at the European level because of the multiplicity of actors involved: EC, Member States, EP, civil society, NGOs, etc. At the same time there is, of course, an equally varied set of interested parties in developing countries. Finally, it is also essential to judge the DPS on the impact it has had on the ground in helping to achieve a more effective EC development programme.

4. The DPS also needs to be seen in the context of an on-going debate on EC development policy: a series of Communications, the annual Orientation Debates (a tradition that started within weeks of the DPS being approved), discussions on harmonisation and alignment, ODA eligibility criteria, untying of aid, the 3Cs, and a changing institutional architecture: the Reform of EC External Assistance, the new financial perspectives and the impact of the new constitutional treaty.

5. International thinking on development policy has also evolved in the period since the DPS was issued in 2000. That same year the UN issued its Millennium Declaration and set the Millennium Development Goals which quickly became a well established and internationally recognised reference point for all development cooperation. Similarly the Monterrey Financing for Development Conference set new standards in ODA levels and the OECD Rome Conference established important agreements on harmonisation of donor aid procedures.

² COM 2000(212) final, 26.4.2000

6. Finally, the first four years of the new Millennium has seen the rise of a new major preoccupation of international affairs in security issues following the events of 11 September 2001 and the subsequent wars in Afghanistan and Iraq. This concern has significant implications for thinking on development policy. There are therefore many good reasons to review the EC's Development Policy Statement even though it is only 4 years since it was agreed.

1.3 Added Value of the Study

7. The value of this study resides, we believe, in four main aspects. First of all it brings external views and concepts to bear on how the DPS can be regarded and what its main contribution has been. Secondly, through the extensive consultations undertaken inside the Commission, the other EU Institutions and with different external stakeholders the study has contributed to triggering a process of reflection on the DPS and what the needs are for the future. This is particularly important inside the Commission where it became evident that there exists a good range of opinions that will need to be discussed and accommodated in some way in any future policy statement. Third, the study team has been able to canvas opinions from a wide variety of users and stakeholders on the 2000 DPS and set these out in this report in a way which prepares the ground for the next stage in the process. Finally, during the course of the study different stakeholders have voiced opinions about what a new DPS should contain and how it should be prepared. While this is not the central purpose of this study, these views have nevertheless been brought together in the last chapter of the Report in a way that can, we hope, inform further work on the review.

8. The study has not been without its problems. The data collection process has been the most difficult task. Partly this has been a question of the limited time in which the study had to be conducted. However, there has also been a lack of interest and knowledge to overcome in some quarters, particularly outside EU policy circles. In addition, in certain parts of the Commission services, there was a reluctance and wariness about sharing information on the use made of a policy statement which not all officials see in the same light. These constraints have to a large extent been satisfactorily overcome, but they have nevertheless imposed limits on what it has been possible to achieve in the time available.

9. The Report has been organised as follows: the bulk of the findings are concentrated in the Annexes whereas the seven chapters of the Report itself contain the main analysis and discussion. This starts by outlining a conceptual framework (Chapter 2) which is then applied step by step to the DPS. The context and how it has evolved since 2000 is discussed first (Chapter 3). Then the DPS itself as a document in the EU policy process is examined (Chapter 4). The main research findings are summarised and discussed in Chapter 5, with the conclusions of the study being brought out in Chapter 6. Finally, Chapter 7 offers some tentative thoughts about options for the next stage in the review process.

2 Conceptual Framework and Methodology

10. Assessing public policy statements owes more to art than to science. It is not a straightforward matter to determine whether a given policy document has been effective because there are many factors that might influence policy and practice. It is thus essential to structure any such analysis as much as possible from the outset to ensure that relevant questions are being asked and that the evidence collected is appropriate and adequate. It is also vital to conceptualise the nature of a policy statement, its role, the context it evolves in and identify the actors or stakeholders associated with it.

2.1 The Value of Policy Statements

11. At a generic level a policy statement is first and foremost a statement of intent and its effectiveness is closely linked to a number of features for which we can advance a series of hypotheses. We assume that a policy is effective in a sector if:

- a. It is *adequate in content* terms, with state of the art, high quality content covering the right issues;
- b. It provides a *strategic framework* focussing on a limited number of well chosen key issues, and is not overloaded with an excess of policy principles;
- c. It is *persuasive to the actors* who have to put it into practice because it relates to the reality of their work and offers them a clear, practical framework to move forward towards the desired results;
- d. It is also seen as *relevant by other stakeholders* who are affected by the programmes that have their roots in the policy.

The value of a policy statement thus rests partly on its quality, but also on the fact that it is accepted by stakeholders. The policy at least needs to persuade key actors ('champions' of the statement within the organisation and in its area of relevance, including other stakeholders), so that those who have to put it into practice are willing to follow the guidelines and apply them because the policy statement relates directly to their concerns. It should then also offer guidance into taking actions which achieve desired results.

12. More particularly in international development work, years of experience have developed the recognition that ownership is vital for the success of development initiatives and that while donors will have policies of their own these need to relate directly to discussions on the ground. Thus we need to add two further principles to our list above, that is that a donor agency's development policy is effective if:

- a. It facilitates *partner country ownership* of the organisations' development cooperation programme;
- b. It relates to both the *reality of the work of development practitioners* on the ground as much as to that of decision makers many miles away in the development organisations' head quarters.

13. The DPS is a 'high level policy', that is a top level policy which guides a whole sector and to which other more detailed policies within the sector should be aligned. Furthermore it is a policy of a high profile public organisation in a fairly contentious sector. A sector which is also closely interconnected with other sectors (the external actions sector of the EU) and with multiple stakeholders involved in an active on-going debate. So to be effective in this arena, the policy statement also has to:

- a. Structure an agenda for a few years around which actors in the sector can rally and carry forward in their work
- b. Influence positively lower level policy and policy makers (i.e. its guidelines and leading ideas have to be communicated to and then picked up at the implementation level);
- c. Interact effectively with comparable high level policies in neighbouring (and competing?) sectors;
- d. 'Defend' the sector against undue controversy and endless debate which would hamper work: in other words it should be a focal point for consensus building and not a source of endless controversy.

14. To get an idea of the quality of a policy statement we can also compare it with some of its peers. What features do such policy statements typically display? Past work on this by ODI³ compares similar policy statements from a number of donors looking at each one for evidence of the following features:

- a. Contextual analysis
- b. Criteria to adjudicate between key issues and trade offs
- c. Analysis of comparative advantages
- d. The setting of priorities
- e. Action oriented details
- f. Accountability mechanisms spelt out
- g. Some form of stakeholder consultation in the preparation

The first five of these features (a.-e.) of a typical policy statement provides a useful set of characteristics for us to consider in examining the EC's DPS 2000. Comparing these features across several similar statements would give us one indication of the DPS's quality in relation to others. The latter two aspects (f.+g.), which relate more to ownership issues, also flag important considerations against which to examine the DPS: to what extent was the DPS intended to be used as a standard of accountability? How was this to be done and how much is the statement itself a product of consensus between different stakeholders?

2.2 The Questions to Consider

15. What then are the focal questions for this study? In addition to the hypotheses advanced above, the Terms of Reference for this assessment of the EC's DPS propose a series of questions and key concerns which cover much the same ground. Essentially all these questions revolve around four broad sets of issues. These cover *how the DPS is perceived*, *what actual use was made of it*, *what might have discouraged its use* and finally its *actual content*. The table below identifies these four sets of issues and the basic underlying question in each case. From these we can derive a number of associated or sub-questions which are implied by the basic question and need to be answered to permit a full assessment of the issue. These four basic issues or groups of questions will thus be used to structure our analysis of the evidence obtained.

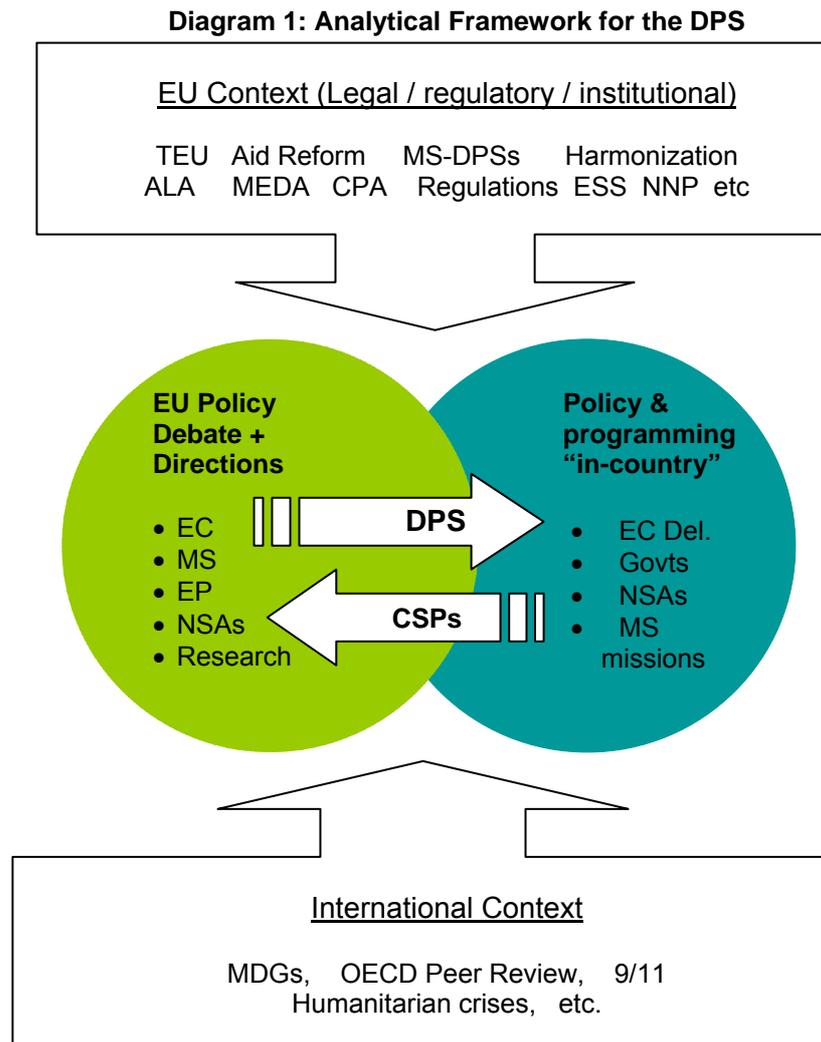
Table 1: Typology of questions raised in this study

Questions about:	Underlying question:	Associated questions this implies:	Relationship with TOR questions
<i>I. The Value of the DPS</i>	Is the DPS useful? To whom and how?	<ul style="list-style-type: none"> • Who are the stakeholders? • How is the DPS of value to each of these stakeholders? • How do they perceive its value? 	Most of the questions posed in Section 3 of the TOR
<i>II. The Actual Use Made of the DPS</i>	How has it been used and have certain key policy directions been applied?	<ul style="list-style-type: none"> • Have the key policy features of the DPS been followed in other policy documents? How in practice? • Have the 4 key policy directions been useful to actors? 	The bulk of the 'Key Issues and Tasks' covered in Section 4 of the TOR
<i>III. The Bottlenecks to Implementation</i>	What problems might have prevented the DPS from being fully implemented?	<ul style="list-style-type: none"> • What has been done to make sure the DPS was applied? • What obstacles emerged (practical, political, procedural)? • Could something more have been done about them? 	The 'bottlenecks' referred to in the Objective of the Study – Section 3 of the TOR
<i>IV. The Quality of the DPS</i>	Is the content of the DPS adequate?	<ul style="list-style-type: none"> • Does the DPS recommend the right policies? • Does it reflect the EC's added value? • Is it relevant to developing countries? • Is it up to date with the latest thinking and best practice? 	Questions 3, 8 and 9 in Section 3 of the TOR

³ Simon Maxwell, Andrew Rogerson, Sven Grimm and Ralf Leiteritz, "Revising the EU Development Policy: Issues and Options", London, ODI (mimeo) 2004 – An adapted version of the main table from this paper, comparing these policy documents, is reproduced in the current report as Annex A.

2.3 The EU Context

16. The emphasis our hypotheses and questions attach to stakeholders and the fact that the success or otherwise of a policy statement to a large extent hinges on the degree to which they are persuaded by it, points to the importance our analysis must attach to the context in which the policy exists. For the DPS, two policy spheres have to be taken into account: both the policy debate in the EU, which looks at the quality of the DPS and how it relates to other EC policies, and the policy debate and programming work in the partner countries covering the relevance of the DPS on the ground and the guidance it provides for operational activities. Both dimensions are influenced by the legal, regulatory and institutional framework of the EU on the one hand and by the international context on the other. The diagram below illustrates the relationship.



17. As the two policy spheres overlap, the DPS is ideally a link between the two but moving from the policy debate in the EU to the debate on the ground. On the other hand, the EC's Country Strategy Papers should be the link in the opposite direction between the policy and programming debate at the country level back to the EU institutions in Europe.

2.4 Sources of Information

18. The analysis was conducted on the basis of information collected from different sources. Policy documents were obviously key sources, but so were assessments of programmes and evaluations. Equally, however, to understand the political processes surrounding the DPS and its impact on continuing policy formation, it was necessary to look at reports and conclusions of meetings of the Council, reports of the European Parliament and the position papers of interest groups. Relevant policy documents from other institutions such as the OECD DAC were also examined. This analysis is summarised in Annex C.

19. These findings were further qualified by a broad range of structured interviews with development actors in Europe, including Member States officials, Parliamentarians, and civil society organisations in Brussels. The results of the interviews have been collated in Annex D. An initial brainstorming session on the DPS with EU officials from various Directorates-General in the Commission helped to gain views on the DPS and clarify expectations (List of Persons Contacted and Brainstorming Report in Annex E).

20. Additionally, the selection of 23 case studies (21 country programmes and 2 regional programmes) provided information for the second dimension of analysis, the policy discussion and programming in partner countries. Individual analyses of the countries on which this study is based and information on their selection can be found in Annex B. The parameters of the study (in particular: limited time and no field work) had three methodological implications: first it was decided to collect material both through a document search and by means of Email questionnaires so as to ensure that, in the time available, sufficient information from a variety of sources would be collected. Second, it was accepted from the outset that the selection of case study countries would at least partly have to be based on the availability of relevant material in Europe. Third, as no field work was foreseen in the Terms of Reference, the study is by definition more detailed on the policy and programming aspects than on the implementation although, where relevant material on operational matters (eg. annual reports and evaluations) was available, it has been used.

21. That being said the initial selection of case studies was first done on the basis of objective criteria: (i) case studies from each of the EC regional programmes in rough proportion to the scale of these programmes in financial terms, (ii) the different DAC country categories for ODA and (iii) the dependency level on EC aid. This selection was then checked first against the availability of material and second a number of adjustments were made to ensure a good spread of programmes with different features. Finally the selection was cross checked with a number of different independent indicators (Human Development Index, Bertelsmann Transformation Index and the Freedom House Index) to ensure no undue bias for particular types of countries or development cooperation programmes. The final list of case studies chosen cover all regional programmes of the EU and embrace countries with a broad set of characteristics with different levels of economic, social and political development as well as countries with particular governance problems or emerging from difficult periods in their history.

22. The main documents consulted for the case studies are the Country Strategy Papers and Regional Strategy Papers. The existence of EC evaluations reports were seen as a further key source which had some influence on the choice. One potentially valuable source of information was the reports from the CSP Mid-Term Reviews, but these were only available at a fairly late stage in the study and not in all cases so their availability was not taken as a factor in the choice (cf. Introduction to Annex B). The documentary evidence was further complemented with information collected from a series of questionnaires sent to respondents in each country: the EC Delegation, the principal government office relating to EC cooperation and a small sample of non-state actors. Response levels were however very uneven despite several reminders being sent. The few indications available for non-response reveal a variety of reasons ranging from lack of interest, the low priority of the issue and even lack of knowledge of the DPS.

3 The International Development Context

3.1 The context in November 2000

23. The introduction to the EC Communication of April 2000⁴, which provided the basis for the DPS, situates the proposed new EC development policy within the context of three areas of EU external action, that is, development policy, trade policy and the political dimension. The new Cotonou Agreement⁵, which had just been approved and which was also based on these three 'pillars', was another contextual element cited. Equally, the Communication refers to a number of international reference points: Wolfensohn's Comprehensive Development Framework that was to usher in the era of PRSPs, the strategy of the OECD's DAC and the series of major UN Conferences in the 1990s that did so much to fashion a global consensus on many international development issues.

24. The DAC review was clearly an important motivation⁶ for the DPS in that the 1998 Peer Review strongly criticised EC aid as lacking focus and highlighted the absence of an overall guiding development policy statement as a serious lacuna. However, it was not just the DAC, as the Communication noted that a number of evaluations had also made the point. What is more the Council of Development Ministers had in fact requested a general policy statement in May 1999 just at the time the members of the new Prodi Commission were being selected. It was not surprising therefore, that the new Commissioner for Development, himself a former EU Member State Minister of Development and someone well aware of the weight of the opinions of the DAC Peer Review in terms of the credibility of EC aid, would pick up on this suggestion and seek to push forward a debate that would ultimately lead to the adoption of the DPS in November 2000. For the team surrounding the Commissioner at the time it was thus vital, in order to start rebuilding this credibility, to link EC development cooperation clearly and unambiguously with the single overall aim of poverty eradication and then spell out a limited number of priorities. Poverty eradication was of course already in the Treaty since Maastricht, but it needed to be put back at the top of agenda both to gain the support of the development sector in the outside world and to ensure, internally in the Commission, that all officials involved in external relations knew what EC development was about.

25. The Communication also situated the DPS clearly in the context of the reform of EC external assistance that the Prodi Commission was launching in response to the widespread feeling that, while the EC was a major donor, it was too slow and cumbersome and generally poor at delivery and accountability. The Communication on Development Policy went through Council the same month (May 2000) as the Communication on the Reform⁷. The DPS was thus an element of this reform, a statement that would provide guidance and help increase effectiveness⁸. It is therefore also directly linked to other elements of the reform and notably those measures aimed at improving accountability such as the Annual Report and the new statistical system CRIS. From the Council side this was further enhanced by the decision by the Foreign Ministers in Evian in 2000 to hold an annual debate on the effectiveness of EC aid.

3.2 The changing international context

26. Most commentators are struck that the DPS makes no mention of the MDG even though it was approved barely two months after the UN Millennium Declaration was issued. Certainly in the development sector this is one of the two or three most important changes in policy terms that have occurred since the DPS's approval. The work on the preparation of the Millennium Declaration was on going in 2000, but it would seem that at that point the

⁴ COM(2000)212

⁵ The ACP-EC Partnership Agreement signed in Cotonou in June 2000

⁶ The importance attached to responding to the DAC criticisms was also brought out in several of the interviews conducted with senior figures in the Commission at the time.

⁷ Communication on the Reform of the Management of EU External Assistance, 16 May 2000

⁸ This is also very much the way it is presented by Marc Franco, Deputy Director General of EuropeAid in his evidence to the UK House of Lords Select Committee Inquiry

promoters of the DPS did not foresee the extent to which the international policy debate on development cooperation has come together around the MDGs. Since then of course it has become obligatory for all new development policy documents to make reference to the MDG and it is understandable therefore that the expectation is that the DPS should also reflect them. At the same time it should be said, this would not be a major adjustment, as the DPS, like the MDG, focuses on the reduction of poverty as its prime objective, and emphasises partnership with developing countries and coordination among donors. The link is in fact regularly made in the EuropeAid Annual Report where it is explicitly stated that achieving the MDG are a strategic objective of EC development policy and progress on the DPS's six focal areas is reported on in terms of the MDG. Nevertheless, with the UN MDG Stocktaking Conference coming up in September 2005 it is also important that the EU be seen to use the MDG as a central plank of its development policy – one argument for ensuring this is done in any new statement.

27. Another major change in the development context is the central role now played by Poverty Reduction Strategy Papers (PRSPs) for developing countries as well as for donors, which use this document as a reference point to provide their financial resources. PRSPs have been endorsed since 1999 by the Bretton Woods institutions in order to link debt relief to poverty reduction. The principles of ownership, participation and a results oriented approach underlie the PRSP perspective. The DPS is clearly in line with these principles and indeed mentions PRSPs, but not as central to the EC's approach. It should therefore probably be updated in this respect to reflect the degree to which the EC has in practice aligned itself with the PRSP framework.

28. Another major event which has changed the international context since November 2000 is of course the 9/11 bombing of the WTC in New York. The impact of this tragic event worked at various levels on EU thinking on development cooperation. First and foremost it drove security concerns to the top of the external relations agenda of the EU so that within two years by December 2003 the EU Council had adopted the ESS, the European Security Strategy. This had an immediate effect on the EC's development policy by ensuring that the external relations field, which the April 2000 Communication had described as being occupied by trade policy, development policy and the political dimension, was now much more crowded with a new fully fledged policy area that was quickly growing in importance.

29. The ESS saw development cooperation largely as an 'instrument' at the disposal of EU foreign policy which should be guided above all by security; this narrow view contributed to emphasising security as an essential ingredient for development while failing to note that the obverse was also true. The Irish Presidency and the Development Ministers did not take long to engage in the debate with the CFSP HR Javier Solana on this point in an exchange of letters preceding their informal meeting in June 2004. The point that the inter-relationship has to go both ways and that peace and security are not sustainable without development was again made at the GAERC in November 2004. Clearly the DPS now needs to be updated to reflect the conclusions of this debate with the future European Foreign Minister.

30. However, internal sources suggest that 9/11 did not only have an impact on the security debate, but also served to galvanise the Commission and then the Member States into taking much more seriously than they would otherwise have done both the MDG and the international conference on Financing for Development in Monterrey in March 2002.

3.3 International obligations and commitments

31. The MDG were therefore the first new international commitment taken on by the EU that should be reflected in the DPS but is not. Apart from the MDG however there are a few other crucial international debates for development policy that have occurred since November 2000 and should be reflected in any new DPS.

32. The next international event that produced an outcome of significance for EC development policy is probably the WTO Ministerial in Doha in November 2001. In its efforts to promote the 'Doha Development Agenda' the EU's work at the global level was entirely in

line with the DPS: trade and development is one of the six focal areas of the statement and trade capacity building is an area where the EC is already active and it is well covered in the DPS. The central message of Doha for the EU is the need for increased coherence between development and agricultural policy and again the DPS already emphasises the importance of this. In this sector at least the DPS seems to cover the orientations being pursued for the time being.

33. For the Monterrey conference on Financing for Development in March 2002, the EU also made a major effort to show leadership and stimulate effective forward movement on increasing ODA levels. ODA levels are not covered in the DPS. The issue is more a concern emanating from MDG8. As part of the Monterrey process the EU set itself time bound targets for increasing ODA collectively to 0.39% of GNP by 2006 and in November 2004 the GAERC agreed the Commission should make proposals for further targets to be achieved by 2009. Were the DPS to be updated with an explicit link being made to the achievement of the MDG this would implicitly include the question of meeting ODA targets. A more explicit step would be to include a reference to the targets for 2009 if these are approved by Council in time. Monterrey was, however, not just about ODA levels but also included other commitments on enhanced HIPC, trade related assistance, policy coherence, harmonisation and untying of aid, all areas where the EU is active in promoting debate and further movement.

34. At the Johannesburg World Summit on Sustainable Development in September 2002 the EU also took on a number of commitments, though the DPS is already in line with a many of these (eg. poverty eradication, biodiversity, etc). The Statement's commitment to the mainstreaming of environment issues is clearly important here and the existence of these Johannesburg commitments therefore argues for maintaining such a principle in any future DPS. The macroeconomic support to the social sectors, particularly health, is another feature of the DPS that responds directly to WSSD concerns. What is less explicitly covered in the DPS are the three EU initiatives on energy, water and forests. Although they can all be linked in some way to different features of the Statement they do not fall squarely in any of the DPS's six focal priority areas. As a result and because of the high political profile and the scale of the resources allocated to them, these initiatives in fact pose a major problem for the credibility of the DPS. If the EU does want to be able to use the EC to participate in such major global initiatives (which might well be one of the areas of comparative advantage of the EC) and yet remain credible vis-à-vis its own policy, then a new statement would either have to ensure that the identified focal sectors allowed for such initiatives or would have to be worded in a way that was less constraining in the manner it defined priorities.

35. In the health sector the EU is committed to pursuing the Cairo agenda⁹ which although it predates the DPS is not actually mentioned. Since the DPS was agreed the EC has become a major actor in the Global Fund to fight HIV/AIDS, Tuberculosis and Malaria (GFATM). This is another case of a global fund initiative which does not fit easily with the areas identified in the DPS (cf. comment in previous paragraph). At the same time, given the dramatic increase in the spread of HIV/AIDS in the past few years, there is a case for arguing that this is an 'event' that has substantively changed the development context since the DPS came out and which needs to be taken into account in any new version of the statement.

36. The debate on harmonisation and alignment is now moving ahead more actively than in 2000 with the momentum of the High Level Forum on donor harmonisation (Rome 2003). At that time the DPS could only refer to the importance of the principles of donor harmonisation and alignment under the heading of coordination. While these principles remain valid, it should now be possible to make more specific comments in this area. The conclusions of the next meeting of the High Level Forum to be held in Paris in April 2005 should provide a basis for a strong statement on the subject in the next DPS, providing of course the Commission and the Member States have the political will to agree on the way forward¹⁰.

⁹ Cairo Programme of Action on S Cairo Programme of Action on Sexual & Reproductive Health & Rights, 1994sexual & Reproductive Health & Rights, 1994

¹⁰ Cf. work of Ad Hoc Working Group on Harmonisation & report to GAERC 21/22 Nov 2004

3.4 New policy influences

37. Aside from the international commitments taken on by the EU since November 2000 there is also a series of policy discussions that have taken place within the Union itself most of them on the basis of Communications from the Commission. These can perhaps be most easily reviewed on the basis of a list prepared by the iQSG¹¹, which includes some 20 areas of work where the Commission and usually also the Council have established new policy guidelines since the DPS.

38. This list may seem long but in fact most of the items included are already covered by the DPS in some form and the new policy documents serve to provide additional and more detailed guidance for practitioners. Thus, for example, under the 'Mainstreaming' heading in this list there is a Gender Action Plan and associated Council conclusions, two communications on human rights and democratisation (one on electoral assistance) and a separate Working Document on the rights of indigenous peoples. On children's rights the Council has issued one set of conclusions and one set of guidelines. On environment there are four different communications, one Secretariat working paper and four associated sets of Council conclusions. Finally there is one communication on conflict prevention and a set of Council conclusions. On the six focal areas there are likewise a number of policy documents detailing certain aspects of most of the sectors. All these are therefore well within the framework provided by the DPS.

39. However, there are also some seven other themes where the link with the DPS is less immediate, though not usually that distant, including culture, migration, energy, the water initiative, ICT, corporate social responsibility, core labour standards and disability and development. To this of course needs to be added the issue of security and development following the adoption of the ESS in December 2003 and the conclusions of the development ministers' informal meeting in June 2004. In other words the list is not unduly long. Moreover, apart from the two areas of migration and security where other actors with different agendas are involved, one can imagine that it is possible relatively easily to develop policy guidelines that are broadly compatible with the orientations of the DPS.

3.5 The case for continuity and the need for change

40. This quick overview of international events and policy debates over the past four years in fact suggests that the DPS remains up to date at least in terms of the principles it espouses. International thinking on development has clearly moved on and has been marked by a few select events such as the advent of the MDGs, the essential role of PRSPs, the security debate and the rapid rise of HIV/AIDS, but even here the principles of the DPS – poverty reduction, results orientation, ownership, concentration, cross-cutting issues for mainstreaming and the importance of coherence, coordination and complementarity – by and large remain valid with respect to the new influences. Thus, there is a strong case for continuity despite the obvious need to take the new dimensions into account.

41. On the other hand, there is clearly an issue about how much to define focal areas precisely and thereby reap certain benefits flowing from greater efficiency and a heightened sense of purpose and direction for EC development cooperation, or instead, to be looser in the definitions so as to provide more flexibility to respond to future events and debates. Concentration as a principle is clearly important to many stakeholders, but it is possible that defining strong principles and being more clear and precise about the comparative advantage of the EC development cooperation within the overall EU development effort – eg. by saying the EC is the best way for the EU to engage in global funds because it provides critical mass and greater influence – might be a better way forward than having too precisely defined focal sectors as at present.

42. One additional area where renewal and forward thinking is probably required is in refining approaches to poverty reduction. While the importance of the overall poverty

¹¹ iQSG, 18.12.03, Internal List of Commission Commitments and Council Orientations

reduction objective is now widely recognised, and for some interviewees this was one of the key purposes of the DPS from the start, there are emerging differences of approach. These are discussed in Chapter 5. It should however, be noted here that four different types of problems were identified during the course of the study regarding the 2000 DPS overall poverty reduction objective:

- a. The poverty reduction objective is often in competition with other EC cooperation aims which are sometimes seen as more important in some programmes,
- b. In formal terms the poverty reduction objective is one among three equally strong objectives of EC development cooperation in the Maastricht Treaty,
- c. Some EC officials questioned the extent to which, in practice, the aim of EC cooperation programmes was really always poverty reduction, saying that the real aim of certain programmes was economic growth,
- d. Finally, of course, there is an on-going debate in the development community on poverty reduction and how best to achieve results in this area.

43. Already in the 2000 DPS there was a recognition that poverty reduction is not just about focussing on LDCs and that there were also important poor populations in MICs and the Communication recognised three different levels of poverty. But some stakeholders clearly feel this is far from sufficient and see the DPS view of poverty as too focussed on what is needed in the ACP countries. Equally there are country programmes where other issues such as security or conflict prevention are seen as the highest priority for the EC and assistance should therefore tackle these before poverty reduction per se. Thus a more differentiated approach to poverty reduction would be highly desirable for some of those we interviewed. It could, for instance, be useful to have an approach that made space for a more 'social exclusion' concept of poverty and explicitly recognised that growing social disparities in middle income countries were also an important consideration and probably increasingly so in a world preoccupied by security and terrorism (cf. discussion on poverty reduction in Chapter 5). The impression gained in the study was that this was a major split which seriously undermined the impact of the DPS. Any attempt to update and renew the Statement should therefore seek to resolve this and ideally seek to think ahead and consider which direction the debate on poverty reduction was moving and where it might go in the next five years.

44. The overall conclusion of this chapter should therefore be that there is a need for both continuity and change. After 4 years the DPS is not so overtaken by events as some would argue. There is clearly some scope and indeed need to update and renew it to take account of some of the latest thinking, but at the same time much of it remains relevant and there is obviously value in building on what has worked and not starting from scratch all over again. The two open questions of approaches to poverty reduction and of how to provide adequate guidance on the principle of concentration will be returned to later in this report.

4 The DPS in a Changing EU Context

45. In November 2000 when the DPS was agreed the EU development cooperation world into which it was introduced was a very different place than it is now. On the policy level things were more diffuse in the development sector but simpler in the broader EU external actions field; on an institutional level there was a recognition that change in the external assistance sector was needed, and legally the basic text of the Treaty in as much as it concerned development had remained reasonably stable since Maastricht in 1992. In the period since then however the EU has changed quite considerably in the area of external actions and now, in early 2005, we are on the verge of major legal and institutional changes in the Union.

46. The DPS represents 'soft law' as far as the EU Institutions are concerned. It is a statement of policy based on a proposal by the Commission and agreed by Council in its development configuration. As far as officials are therefore concerned their paramount obligation is to follow first the precepts set down in the formal legal instruments such as the Treaty of the European Union and secondary law such as regulations, and then only to implement soft law in policy documents such as the DPS. It is important therefore to situate the DPS in both these legal and policy contexts.

4.1 The Legal Context

47. In November 2000 the DPS was agreed in a legal landscape for which the parameters were set by the Amsterdam Treaty. Already since Maastricht in 1992 the TEC outlined three objectives¹² for the Union's development policy of which the third, the fight against poverty, was incorporated into the DPS as its overriding objective, but the other two can also be found in the statement albeit in less prominent positions¹³. Coordination, complementarity and coherence were also principles in the Treaty, as was the principle that all Community policies affecting developing countries should take into account the objectives of EC development policy.

48. Another contextual element for the DPS are international agreements entered into by the EU and particularly the Cotonou Partnership Agreement by virtue of the fact that the emergence of these texts from the Commission coincided (the CPA was signed in June 2000, ratified April 2003). Cotonou emphasises poverty eradication as its first objective as well as the objectives of sustainable development and the integration of ACP countries into the world economy. Other international agreements such as the Euro-Mediterranean Partnership (1995), the EU-Mercosur Interregional Framework Cooperation Agreement (1995), the Stabilisation and Association Process initiated at the Zagreb summit in 2000 and the Asia-Europe cooperation framework (1998), are clearly also important, but the Cotonou Partnership Agreement's ideas are probably closer to those of the DPS because they were written by the same officials in DG DEV, in the same period, thus reflecting the consensus achieved in development thinking in the EC at the time.

49. At a lower level legally are a series of Regulations for particular regional programmes and budget lines. As the DPS should apply to all developing countries its basic principles should be found in all the Regulations in operation. However most of these predate the DPS. Thus the MEDA Regulation dates from the same year as the DPS (2000) and the ALA Regulation from even earlier (1992) as the attempt to renew it in 2002 was ultimately not approved. Not surprisingly therefore the language in these two regulations is different than in the DPS and while the ALA Regulation does refer to targeting the '*poorest sections of the population and the poorest countries*' there is also far greater emphasis on the interests of Europe in both regulations than in the CPA. The TACIS Regulation also dates from the

¹² The 3 objectives listed in the TEU (Amsterdam Treaty, Article 177) are (i) fostering sustainable economic and social development, (ii) the smooth and gradual integration into the world economy, and (iii) the campaign against poverty.

¹³ The fact that the Treaty has 3 main objectives while the DPS puts only the poverty focus in first place can be seen as problematic as it means that one can argue that in fact the poverty focus is legally no more than one among 3 objectives and not the overriding one.

same year as the DPS as does the CARDS Regulation. Neither of these two therefore refer to the DPS.

50. In the next couple of years however this legal context is set to change with the new draft Constitution and the proposals for new instruments in the Financial Perspectives (2007-2013). The draft Constitution will provide a context which in many ways will be very conducive for EC Development Policy. Right from the start of the text (Article I-3.4) it mentions a series of basic principles that the Union will uphold in its relations with the wider world and these include many of the basic principles of the DPS including the poverty eradication objective and the cross-cutting issues¹⁴. Then at the start of the section on 'The Union's External Action' (Part III Title V, Article III-292) the proposed Constitution outlines a series of eight objectives for its international relations among which poverty eradication figures as the 'primary aim' of the Union's development cooperation with developing countries¹⁵. The other seven objectives deal with other subjects some of which are at the level of principles (democracy, human rights, multilateralism, preservation of the environment, etc) and others which include the various sectors of the EU's external action (peace & security, trade, humanitarian action, etc). Finally the article (III-292.3) emphasises that "*the Union shall ensure consistency between the different areas of its external action and between these and its other policies*", and puts the onus on both the Council and the Commission to ensure this is put into effect.

51. Already we can see therefore that many of the principles outlined in the DPS have now found their way into the Constitution itself. Most of these were of course already in the Amsterdam Treaty, but it is clear that having these principles so clearly set out in prominent positions in the Constitution, partly in the very first introductory articles and partly later at the start of the chapter on the Union's External Action, is a positive development. This would then provide a solid principled base for any new EC development policy statement.

52. A series of new regulations for each of the instruments proposed in the Commission's plans for the Financial Perspectives is currently in preparation. The instrument for development cooperation and economic cooperation (DCEC) is the principal one that concerns us here as it will cover all the EC development programmes financed from the EU Budget (including perhaps the EDF if this is 'budgetised' as proposed by the Commission and excluding humanitarian aid and the new neighbourhood instrument). The introductory paragraphs of this text cite the campaign against poverty as one of the three principal objectives of EC development policy and then refer first to the MDG as guiding this and to the DPS as establishing "*...le cadre général d'action de la Communauté en matière de développement.*" Again therefore we can observe that the DPS is treated as a principal reference point in new texts setting the framework for EC development cooperation in the future. With a single instrument covering all EC development work, with the possible exception of the EDF, it should also become easier to ensure that a single development policy is implemented in a consistent fashion across all geographical regions where this instrument is used. The one exception to this however will be the countries, a number of them LDCs, that surround the EU's frontiers, which will be covered by the new neighbourhood instrument (ENPI). In these new circumstances it would be appropriate that a new development policy statement was clearly established as the main guiding policy framework for the DCEC as well as for any development funds in the ENPI¹⁶.

4.2 The Policy Context

53. The EU policy context is characterised primarily by the political interplay between the three principal Institutions: the Commission, Council and European Parliament; but on

¹⁴ Article I-3 is entitled 'The Union's Objectives'. Human rights, rights of the child, sustainable development of the Earth are all mentioned here. Gender equality is already mentioned in the preceding paragraph (Art I-3.3) as an underlying principle for all Union action.

¹⁵ Article III-292.2(d) "*foster the sustainable, social and environmental development of developing countries, with the primary aim of eradicating poverty*"

¹⁶ The draft ENPI does mention the 2000 DPS (paragraph 8, article 1) although this does not necessarily imply the future DPS will be the guiding framework regarding the implementation of ODA in neighbouring countries

development policy, in addition to the context in Brussels, the context in the partner country must be considered. There a different prime triumvirate operates: the EC Delegation, the Government of the country concerned and the EU Member States Missions¹⁷. The context is also characterised increasingly over the four years of existence of the DPS by a growing interplay between sectors in EU external relations: development, humanitarian aid, trade, security, neighbourhood policy, migration and pre-accession. This has given rise to the concept of the *policy mix*. Equally the environment is influenced by internal EU policies which have an external impact, such as agriculture or fisheries policy. Beyond the official players in the political context there are also non-state actors both in Europe and the partner countries which, in the development policy sphere, are very active players.

54. In 2000 the policy context from which the DPS emerged featured, as already discussed above (Chapter 3), a disparate collection of development related policies that the OECD Peer Review Panel at least, among other informed observers, felt lacked direction and central guiding principles. The 1990s had witnessed a series of important UN conferences (Rio, Copenhagen, Beijing, Cairo, etc) which had done a lot to advance the international consensus on development cooperation, but it was only at the end of the decade that the full level of inter-linkages was being made and the more integrated approach of the WB's Comprehensive Development Framework and the MDG started to emerge. At the EU level the situation was similar with a series of development related policies, often drafted in relation to the UN conferences, but without an overall framework. As we have noted above (Chapter 3) a certain disquiet had set in with development ministers, evaluations and the DAC all advocating the need for a single clear EC statement. However, this was seen as only one part of a broader malaise with EC development cooperation and its ability to deliver effective development.

55. The Commission's purpose in bringing out its Communication in April 2000 was therefore to provide a framework that would give a sense of direction, but which would also enable a broader Reform process. The Communication was considered by Council in May and ultimately led to the joint Council and Commission statement on development policy, being agreed in November. The Communication was also considered by Parliament which produced the 'Gemelli' report¹⁸ on the subject, but only in February 2001 some 3 months after the joint statement came out. The second table in Annex A, developed by ODI, compares the Communication and the DPS and shows that on the main lines and key items of content there was little difference. Where differences do start to emerge, it is more in the detail and the emphasis the DPS puts on certain specific issues such as debt or communicable diseases. The role foreseen for CSPs as a forum for improving coordination is stronger in the DPS and the poverty focus is interpreted differently with the Communication talking about primary, secondary and tertiary foci while the DPS prefers to stress the different needs of LDCs/LICs and MICs.

56. Since 2000 a considerable number of policy statements on different aspects of EC development policy have emanated from the Commission (cf. Annex C). These have by and large quite explicitly built on the framework provided by the DPS and provided more detailed guidelines for many of the sectors and areas it covers. Increasingly however the DPS has become somewhat supplanted by the MDG as a principal frame of reference. The content of the DPS has also gone on being discussed notably in the Parliament. Many of the principles, the focal areas and the cross-cutting issues were the object of considerable debate. This does not mean the DPS was irrelevant, indeed it seems as if it gave renewed impetus for continuing policy work in several areas and most importantly it seems to have contributed to increasing sensitivity about the linkages that exist between sectors and issues and principles.

57. Among other things the DPS does seem to have contributed strongly to keeping the poverty reduction goal high on the agenda and ensuring that it became much more discussed and contributed to greater clarity in thinking on the campaign against poverty. Looked at positively one might say the DPS is perhaps even a victim of its own success in this area, because one clear message emerging from the interviews is that a more refined and differentiated perception of how to tackle poverty is needed if the statement is really going to

¹⁷ As illustrated in Diagram 1 in Chapter 2

¹⁸ EP, V Gemelli, 14 Feb 2001, Report on the EC Development Policy, A5-0059/2001 – PE 286.820, Brussels

be used in all developing countries. However, it can also be seen that the poverty focus raises strong emotions with both convinced advocates in some quarters and clear resistance in others. The focal areas, which were identified for the first time in the Communication, have also been the subject of considerable debate, a prime question being how each of them relate in practice to the poverty goal. On the other hand the cross-cutting issues per se have met least resistance, due no doubt to the fact that they very largely pre-date the DPS. The problem there has been more at the level of implementation and the tendency of many actors to want to add other cross-cutting issues to the list making the concept increasingly unmanageable. Overall though it is clear that the DPS has helped focus EC development cooperation and raised its credibility.

58. One policy area that has gained in recognition since the publication of the DPS is the issue of good governance. The importance of good governance in encouraging development and poverty reduction is certainly recognised in both the DPS and the Communication of April 2000¹⁹, but the value of building a strategy to support and enhance governance in order to increase the effectiveness of development programmes is only briefly discussed. Thinking on the subject has developed more extensively in the last couple of years in the EU notably with the EC's Communication on Governance & Development²⁰ in 2003 and any effort to rewrite the DPS nowadays would need to ensure the subject was more adequately covered. The question could also be usefully linked with that of the value of multi-actor participation in development, another subject which has become better understood and its role more widely appreciated since the DPS came out in 2000.

4.3 The Institutional setting of Development within the EU

59. The prime institutional concern for EC development cooperation in 2000 was the initiation of the Reform of External Assistance. The key point in this for the present study was that the DPS was introduced into a changing institutional environment where it was expected to play a unifying role. It is probable that the evolving organisational context made it easier for a new overall guiding statement such as the DPS to find its place than it would have been in a more static environment, though it is also clear from our research that its level of acceptance throughout the institutions varied considerably.

60. Policy processes are influenced by many factors. The links between stakeholders and the way they are organised in communities and networks, often facilitated by intermediaries, have a major impact²¹. Within the EC an important factor affecting the DPS are the splits between different services in the EC: DG DEV (the originator and main proponent of the DPS), DG RELEX (another implementer which has had a lesser stake in its formulation), AIDCO (the prime implementer in Brussels), and the EC Delegations (the prime implementer on the ground). A key *linkage* actor in this context for the DPS is the iQSG²² (inter-service Quality Support Group) which in many ways can be considered as the effective institutional '*champion*' of the DPS.

61. Documents from the iQSG indicate the important role they played in pushing the implementation of the principles of the DPS in the multi-annual programming exercises and the performance reviews. The iQSG was set up as part of the EC Reform of External Assistance to ensure continuous monitoring of consistency and quality of the programming process by making proposals for improving programming and screening draft policy documents. The Group only has an advisory mandate and cannot 'enforce' its recommendations, however, it is composed of officials from all external relations DGs with support from a secretariat located in DG DEV. It is one of the main mechanisms that breaks the geographical compartmentalisation of the DGs and can thus actively push the standardisation of working practices and the overall application of general principles from the DPS. According to iQSG documentation its screening of the CSPs has for instance checked a number of points underlined in the DPS such as the poverty focus of strategies, the degree

¹⁹ COM(2000)212 final, 26 April 2000

²⁰ COM(2003)615 final, 20 October 2003

²¹ RAPID (Research & policy in development) programme at ODI

²² The iQSG is made up of representatives from each of the relevant external services

of concentration proposed and questions of complementarity. The DPS is not always mentioned explicitly in all iQSG documents but the links are clear and the Progress Report²³ from November 2002 has an explicit reference to the DPS and the concentration in the six focal areas and the poverty focus. It also provides statistics using DAC ODA categories to show that 83.9% of resources are being allocated to activities in the six focal areas²⁴. Unfortunately these statistics do not yet seem to be available on an annual basis since the year of publication of the DPS.

62. The purpose of the iQSG has been contested by some services that feel it is too 'development' oriented in its outlook and has been resisted by DG RELEX for instance in the case of the preparations of the Mid-Term Review of CSPs²⁵. As a result of this resistance, the iQSG's ability to push the application of the DPS across the board in all developing countries has its limits.

63. Looking to the future, the trend towards standardisation in programming should however grow as a new 'common framework' for CSPs has been agreed and the Council has also asked the Commission to produce standard allocation criteria to be applied to all programmes in developing countries. Moreover, the 'Peace Group Report'²⁶ and the Regulations for the four new financial instruments (Stability, ENPI, DCEC and IPA) includes an overall framework for programming in EC external assistance. A future DPS should be supported by these trends and therefore stand a stronger chance of being more widely used in all the EC's developing country programmes.

4.4 Changes in the EU

64. The main change in the EU in the period since the DPS was formulated and that has to be taken into account is the growing importance of a broad range of different policies alongside development in the external relations sector. This has been accompanied by the growing emphasis the institutional actors have been placing on giving the Union a stronger foreign policy which has found expression in the new Constitutional Treaty and the establishment of the post of European Foreign Minister that it proposes. Already in the past few years a number of external policies have come to sit alongside and cover areas which overlap with those of the DPS: for instance EU trade policy, the European Security Strategy and a neighbourhood policy.

65. Institutionally the *policy mix* concept has thus started to be used in the EU external relations sector since the DPS was formulated. Any new DPS should therefore be drafted with this in mind, as it will increasingly need to be used in institutional discussions on different external actions policies. These will occur to a large extent at the country or regional level and form the basis of CSPs and RSPs, but they will also occur in council working groups both when these strategy documents are reviewed and at times of crises or other events which bring a certain country or region onto the EU external affairs calendar. At times such as these the DPS or its successor needs to be sufficiently robust to promote the longer term interests of development in the more immediate and shorter term time frame of foreign diplomacy and crisis measures.

66. The other major institutional change occurring in the Union is enlargement. This process has included in the EU a number of actors with different traditions in the area of development policy (beyond the DAC consensus) who are thus new to EU discussions in these policy discussions. A report commissioned by the EC on the Consequences of

²³ iQSG, SEC(2002)1279, 26.11.2002, "Progress Report on the Implementation of the Common Framework for CSPs", staff working paper

²⁴ The 83.9% total is made up as follows: trade and development 5.9%; support for macroeconomic policies 14.7%; target support for social sectors 21.4%; transport 19.2%; food security & rural development 7.8%; institutional capacity building, good governance and the rule of law 14.9%.

²⁵ Relex officials however pointed out to us that, unlike the Cotonou Partnership Agreement, some geographical regulations, such as the ALA Regulation, did not foresee Mid Term Reviews. Thus when it was decided to make the MTRs an across the board practice a compromise had to be worked out to cover these cases.

²⁶ The 'Peace Group' (Commissioners Lamy, Nielson, Patten, Solbes & Verheugen) Report, 2004, "The EU as a Global Partner: Priorities & Instruments", European Commission

Enlargement for Development Policy²⁷ concluded that current development policies of the new member states focussed mostly on regional stability and global security and on some of the cross-cutting issues of the DPS, notably human rights and environment. Poverty reduction is not the main priority objective for the use of their ODA. A few of the interviewees for the study from new member states indicated they were aware of the DPS and its potential value in helping to guide new member states in the formulation of their own policy, but in practice they tended to refer more to UN and OECD DAC documents. On the whole however, our impression was the DPS is hardly known in the new MS development circles.

4.5 Conclusion

67. In sum, at the time the DPS came out EC development cooperation was suffering from a lack of credibility and the statement was one measure taken to resolve this situation. From our research it can be said to have played its part in re-establishing this credibility, but its most important effect on the policy side has been to put the poverty focus to the fore and ensure it has remained at the centre of the policy debate. It has also done a lot to establish the principle of concentration even though the focal areas chosen have remained a subject of discussion. Now at the end of 2004 it would seem the priorities are different and the two issues in hand are first how to achieve a greater degree of consensus around a single policy statement and second how best to ensure that EC development policy is well placed in the *policy mix* between the various different sectors of EC external action.

²⁷ Development Strategies – Migliorsi & Montes, 2003

5 Research Findings

68. The material covered in this chapter is a summary of the main research findings, the details of which can be found in Annexes B, C and D. It has been organised according to the main blocks of questions from the Terms of Reference for the Study as identified in Chapter 2 (cf. Table 1).

5.1 The Value of the DPS

69. The overall judgement emerging from our consultations is that the DPS is a useful and indeed important document for the EU. The existence of such a document is probably its first value. There is widespread agreement on this from all categories of persons consulted. Its value is to a large extent, but by no means exclusively, on the political and policy side rather than on the implementation side. From a practical point of view its importance should probably not be overestimated, but all respondents in the field (delegations, partner country governments, southern NSAs) considered the DPS a useful tool for the preparation of CSPs and the programming phase. The few partner country governments we were able to collect responses from, were also unanimous in the view that the DPS related to their national development concerns and was a valuable document to have. Respondents were, understandably given the difficulties of attributing cause and effect, more divided on whether the DPS had had an impact, though most people could point to trends in EC development cooperation where they felt the DPS had been a contributory factor.

70. The main value of the DPS for respondents would appear to be that the statement sums up the state of the debate and agreed basic principles in an authoritative manner at a particular point in time and that it is a joint statement of both Council and Commission. This makes it a point of reference for many stakeholders and actors as well as for new stakeholders becoming involved in EU development cooperation such as the new Member States. It is also a point of reference for different external affairs DGs in the Commission, and has had a positive influence on other policy areas such as trade policy. The buy-in has been particularly strong in the development community, which has helped the Commission re-establish the credibility of EC development cooperation.

71. The Statement also builds on the Treaty and is widely recognised as having been very instrumental in pushing one of the three objectives in the Treaty, the poverty focus, to the top of the agenda and helping, in large measure, to keeping it there for the last few years. The DPS is also credited with having established the principle of concentration in EC development policy²⁸, and by and large got most of the selected priority areas well accepted although some interviewees underlined they were not all relevant for non ACP regions. The poverty focus and the principle of concentration are certainly the characteristics of the DPS that are best remembered. As a result, in the eyes of many, though not all, EC aid has become more focused in the last four years. The DPS is also felt to have contributed to maintaining the three Cs, again a principle from the Treaty, in the limelight and even though the debate on these has moved slowly there have been signs recently that it is picking up with the MS showing more willingness to actively discuss coordination in particular. On the other hand, the DPS is not seen as having been able to get much progress on complementarity²⁹ or on the cross-cutting issues, which pre-date the DPS, and which are accepted in principle but still cause difficulties when it comes to implementation. The one cross-cutting issue that is seen as perhaps being better implemented than the others is environment.

²⁸ The most important innovation of the DPS may well be that it laid down the principle of a **general** concentration of EC aid to reinforce its efficiency. So far the idea of concentration had been applied in different geographical instruments and during the negotiation of the NIPs but it was first enunciated as an overall policy in the 2000 DPS. Moreover, the idea of concentration has certainly been strengthened since the DPS came out, for instance in ACP NIPs. The choice of the six focal areas was partly made on the basis of what the EC was doing already.

²⁹ Some representatives from smaller Member States we spoke to were able to point to decisions their governments had taken to remove transport from the sectors that they would support in their bilateral programmes, because the EC aid programme was handling this successfully and better than they could hope to do with their smaller budgets. However, this particular example was used several times and no other sector was cited.

72. The value of the DPS has been affected by the fact it does not refer to the MDG which since 2000 have increasingly become an important reference point for the EC strategy towards development (cf. Chapter 4). The compatibility between the MDG and the DPS is clear to most respondents, and many of them felt EC policy would be strengthened by a more explicit link in a new DPS. This is because the MDG have achieved a high level of international consensus and, as they were approved by Heads of State, they have also got considerable political weight at the highest level.

73. Finally, it does seem that the DPS has given renewed impetus to work on improving the Commission's broader development policy, with a series of policy papers appearing over the last few years that build on the framework provided by the DPS and explore particular areas in more detail. Most importantly, the presence of an overall policy framework of this nature does seem to have increased awareness of the importance of linkages between issues and the way they are dealt with in policy terms. On the other hand, apart from with trade, the DPS does not seem to have contributed much to advancing coherence between other external policy sectors, and development policy and many see a push to increase coherence as the biggest challenge of the next DPS.

5.2 The Use Made of the DPS

74. The DPS is therefore first and foremost used as a political tool in the discussion between the EC and Member States in particular, but also with the Parliament. On the policy level it is directly cited as a point of primary reference in the majority of policy documents produced by the European Commission since 2000 in the development sector. This has been less the case in Regulations and secondary law, but this appears to be changing with the recent proposals for the regulations for the new external instruments associated with the debate on the Financial Perspectives 2007-2013.

75. The DPS is also used at the country and regional level in a good number of the case studies in the sample we examined. It is explicitly referred to in all the ACP, MEDA and Latin America cases. However, no explicit reference to the DPS could be found in the documents collected for our Asian, TACIS or CARDS country case studies; for Asia, references to the DPS do appear in regional strategy papers. The fact that the DPS is not explicitly mentioned does not of course mean that the principles it espouses are not followed, and in fact the study demonstrated that the pervasiveness of many of these principles is much more extensive than the DPS itself. Diverging views were expressed by EC officials in this respect, some of our RELEX interviewees finding the usefulness of the DPS limited because it did not relate to the priorities of the regions they were dealing with and was too ACP-centric; in other words that the DPS mainly addressed ACP countries' priorities. On the other hand, some of their colleagues have tried to integrate the DPS principles within the limits of the relevant regulation for their region. Of course, many of these principles are also present in the Treaty, and it is therefore impossible to judge how much the DPS per se has had an impact. Rather, it is useful to see the DPS as a good summary of the key points of EC development policy at the time which regroups in one place many different principles that were already prevalent and widely accepted.

76. Many respondents felt that despite the invitation to greater complementarity which the DPS represented it has had virtually no effect in this area, and felt quite disappointed by this. Some of them (in different categories) underlined the need for a proper debate with Member States on the topic. Most of the people consulted, among which Member States officials, think the idea of an EU DPS is unrealistic, although interestingly the few partner country governments that answered the questionnaire felt the EU has moved sufficiently forward in implementing complementarity. Many suggested trying to achieve a better complementarity in the field and/or in terms of approaches rather than by dividing up sectors centrally among Member States and the EC. At the partner country level, this has in effect already started, with the focus on PRSPs, but most respondents think much more needs to be done. Practical measures could also be found to improve complementarity (such as a shared database, increasing co-financing, etc...)

5.2.1 Poverty Reduction

77. The basis for the poverty focus of EC development policy is the Maastricht Treaty of 1992. It was also a principle that was widely accepted in the broader international development community at the time the DPS and the Communication on which it was based were being drafted. Policy discussion on this principle in EU circles does not seem to have been very extensive however. Equally, since then seemingly only limited efforts were made to develop more precise guidelines for programming on poverty reduction. In the eyes of many respondents, the DPS did a lot to ensure the poverty focus principle is given importance in the EU, and most feel that this should remain as the main objective of EC development policy in any future DPS. This view was unanimous among EU Member State respondents³⁰. Most respondents also felt that since the DPS came out, poverty reduction had become a more significant factor in the allocation of EC development resources. Several interviewees raised the question of how poverty should be targeted. One of their concerns was that poor people in MICs should also be taken into account. The European Parliament and NGOs feel that more resources should be allocated to social sectors.

78. Overall in the case studies most country strategies refer to national PRSPs or the government's economic and social plans across all EC regional programmes. Poverty is a recognizable concern in the cooperation with all the countries reviewed, including in the examples from TACIS, CARDS and Asia where the DPS is not mentioned explicitly. However, this conclusion should be treated with some caution as the sample for all these three regions was limited and in the Asian case in particular it was not possible to include country cases with large numbers of poor people³¹. Poverty reduction is however, not the first priority in all cases looked at, and in very particular cases such as Afghanistan the concern with security and the link with development understandably take precedence. Regional strategies generally seem to complement country strategies well, but do not push the poverty focus to the fore consistently. Rather, they for instance establish the link between trade and development, regional infrastructure projects and regional integration. Internal programming guidelines, such as those for ALA, bring out the poverty focus and make the link with the DPS. Independent experts we spoke to also verified that CSPs and RSPs, that is the planning level, generally did reflect the poverty reduction objective.

79. Many respondents, while talking about the poverty focus, referred to the MDG and the need for the link with them to be made explicit in the DPS. At the same time a good number of respondents cautioned that the MDG were not enough on their own and the focus of EC development policy should be wider.

80. The Communication³² from April 2000 has a longer discussion³² on poverty reduction than the DPS itself, although the latter does summarise some of the arguments from the former. In particular it stresses that poverty is not just about lack of income but also involves issues of access and vulnerability. It lists a number of factors that contribute to creating or perpetuating poverty including conflict and lack of democracy and therefore argues for an integrated approach to poverty. Moreover, it stresses the importance of the existence of pro-poor policies and the political willingness on the side of government to tackle poverty, if any real progress is to be made. The DPS also recognises explicitly, albeit briefly, that a poverty oriented cooperation programme is not just about channelling funds to LDCs, but that work in MICs "... concentrated on those in which the proportion of poor people continues to be high and which are fully committed to implementing coherent poverty reduction countries" is also of importance to the EC³³. It then says nothing more about the subject.

³⁰ It should be remembered that this essentially represents the view of 'old' Member States, as it proved difficult to get full interviews with new member state representatives. This point of view in particular might well be challenged by new Member States.

³¹ Cf. Methodological notes at the start of Annex B explain the constraints facing the study in terms of the choice of case studies in Asia.

³² COM(2000)212, 26 April 2000

³³ The Communication of April 2000 (p.20) actually makes more of a point of this and talks about a triple poverty focus: primary poverty focus – LDCs and LICs; secondary poverty focus – MICs where more than 20% of the population lives under the \$1/day income level; and tertiary poverty focus: "...meaning greater focus on poverty reduction in cooperation programmes in all other developing countries". However, the Communication does not take this categorisation much further and simply talks about the need to refine the methodology. The categorisation is not mentioned in the DPS.

81. Thus although the need for the EC to have poverty reduction strategies in MICs as well as in LDCs is recognised as important in both the DPS and the Communication, the question is not developed fully, neither in the documents of the time nor, it would seem, since then in any further Commission policy papers on poverty reduction. It is therefore not too surprising that a variety of officials in the Commission, and particularly those who are not dealing with LDCs, argue the need for more work to be done to develop a “more differentiated approach to poverty” .

82. The discussion on poverty reduction policies could be taken further in various ways but based on the comments made by respondents it may be useful to recognise first the need for a *multidimensional strategy* that reflects the different dimensions of poverty; secondly the need for *linkages* between a poverty strategy and policies tackling other challenges for developing countries such as conflict or poor governance; and third the need for *differentiation* so that poverty reduction strategies are adapted to the relative income levels of developing countries. Thus poverty reduction would clearly be the primary and overarching aim in LDCs and the poorer MICs, while in other MICs it would be seen as one among several important challenges and the emphasis would be on ensuring that all the strategies employed to tackle these challenges were interlinked and thus all contributed in some measure to reducing poverty.

83. In terms of the *multidimensionality strategy* element of this approach it would be important to recognise explicitly that there are three different types of policies to deal with poverty which reflect the different dimensions of poverty and which should be applied across all countries, albeit in different combinations. There are thus programmes that address more the *symptoms* of poverty and seek to provide for basic needs of the poor in the social sectors and particularly in health and education. At a second level there are policies that seek to address *underlying factors* of poverty and social exclusion by focussing on strengthening government capacity to deal with the issues that cause poverty and to improve the rights of the excluded. Finally, there are programmes that seek to influence macro-economic policy and the *overall development framework* of a country which indirectly help reduce poverty.

5.2.2 Comparative Advantages

84. The comparative advantages of the EC are seen by respondents in a wide variety of ways. In the case studies we found that, where the point was made, comparative advantages were argued both at the level of instruments (eg. funding in grants, policy dialogue, partnership) and on the level of past experience in the respective sector. In the Afghan case, the comparative advantage of the EC was argued on the level of each sector of intervention and in South Africa the structural policies of the EU and dealing with reforming economies are cited as valuable experience.

85. EP respondents brought out the EU’s advantage in terms of providing a basis of coordination with Member States, the link between trade and development, good governance and the neutrality of the EC as a donor. Member States respondents clearly felt the focal sectors of the DPS more or less matched the areas where the EC had a comparative advantage. They also listed characteristics such as volume of aid, global reach, resource mobilisation experience (Monterrey process), neutrality and experience with transition economies as useful advantages. However, there was also a call for a more in depth and solid analysis to be done of the EC’s comparative advantage. The aid-trade link, volume of aid, neutrality and global reach were also brought out by external experts, whereas EC Delegations and partner country governments rather emphasised regional integration, and Southern NSA respondents the food security and institutional capacity building. Most EC officials in Brussels emphasised regional integration, trade and budget support. The partnership approach (dialogue tradition, joint-management concept, etc...) was also mentioned as one of the assets of the EC approach by some Commission officials, partner countries’ governments and civil society organisations.

86. The table below seeks to represent visually the range of ideas brought up by a significant number of respondents and compare these with the discussion on comparative advantage in the Communication of April 2000. The low number of respondents in some of the categories do not permit us to ascribe major importance to the views that emerge but it is interesting to note that certain ideas are cited very widely. Thus the greater political neutrality of the EC with respect to other donors is a widely shared view although it remains a subjective and indeed a relative characteristic of the EC with respect to other donors. Other widely cited advantages are more tangible: the scale and volume of EC aid, the advantage in areas where the Community has competence and the global reach of the EU.

87. If the DPS itself barely says anything about the EC's comparative advantages and added value, the April 2000 Communication³⁴ is much more detailed on this subject. The Communication distinguishes between two categories of Community comparative advantage:

- a. *Those compared to the Member States* (objectives and interests shared by the EU, global reach, volume of aid, regional integration experience, taking advantage of the cumulative experience of the Member States in terms of sectoral policy formulation, sharing European cultural and social values) and,
- b. *Those compared to the IFIs and other multilateral organisations* (the EC's wider range of own competences which allow for a more integrated vision of development; being a major donor and the first trading partner of many developing countries, the grant form of its aid).

88. This categorisation brings out the relative nature of some of the advantages, but is not a categorisation that we have heard others use. What is perhaps more interesting is that the comparative advantages mentioned by the interviewees are by and large already listed in the EC's Communication which indicates the debate is not moving forward much. The table below does show that there are a few interesting evolutions particularly with respect to what the respondents from the EC itself told us but overall the points raised remain broadly the same. What changes there are can be partly explained over time (eg. community competence in trade is now much more entrenched that it was in 2000 and trade related capacity building has become an important area of assistance; equally the EU is much more of a global player now than at the time of the Communication). Overall however, the range of ideas being put forward is stable which suggests that it should be possible relatively easily to crystallise the debate and reach a real consensus on this subject.

³⁴ COM(2000) 212

Table 2: Perception of the EC's comparative advantages / added value according to the different categories of respondents

List of most cited EC comparative advantages	EC - COM(2000) 212	DPS Study Interviews 2004					
		European Commission (HQ and delegations)	European Parliament	Member States	Northern CSOs	External experts	Partner countries' governments & CSOs
<i>Number of opinions expressed</i>		31+17	9	16	8	3	8+18
Political neutrality							
Areas of Community Competence							
Volume of aid / scale							
Focal point for EU coordination and collective action (+ peer pressure)							
European values / vision	Partly mentioned						
Global reach							
Excellence in certain areas							
Grant nature of assistance							
Integrated approach (development, trade, political dimension...)							
Full range of instruments (grants, loans, humanitarian aid...)							
Own experience: enlargement, regional integration, economic development							
Partnership approach (dialogue and joint management)							
EU as a global player (politically)							
Accumulated experience of 25 MS (spreading best practices)							
Culture & values of cooperation and collective action							

Methodological notes:

- This table is not meant to give a scientific overview of EC emerging comparative advantages. It reflects what has been said by a significant number of respondents in each category of interviewees and thus their perception of EC comparative advantages. The number of respondents in each category is indicated in the first row.
- The respondents of the European Commission, the European Parliament, the Member States, the Northern Civil Society Organisations and the external experts had to answer the following questions: "What are the EC's comparative advantages for development? / What basis do you think is the most relevant for the EC to establish its priorities?" The answers of partner countries governments, civil society organisations and EC delegations were more guided (multiple choices answers with the possibility to add options). They had to answer the following question: "Which areas should determine the selection of priorities of EC cooperation?"
- The answers of partner countries governments and external experts should be taken with caution given the low number of respondents.
- The Northern Civil Society Organisations answers include four written opinions and the partner countries' governments' three written opinions of actors who were not interviewed on these matters but still commented on part of them.

89. It may also be useful to categorise the comparative advantages according to a different method. Thus as we have seen some perceived advantages are factually based whereas others are more subjective and there is also a category which is dependent on the level of political will of the Member States and the agreement they reach amongst themselves and the Commission. The advantage of these three categories is that they also have different implications in policy terms and it is therefore possible to build on them in different ways and thereby take the subject forward: thus objective features of the EC as a donor can easily be built on, systematically enhanced and used as a solid basis for the prioritisation of areas of work. Subjective or relative differences will always be more elusive and more difficult to enhance, and finally identifying clearly the need for political agreement in some areas can help focus the policy debate between the EU Institutions. Using such a categorisation one arrives at the following:

- a. *Objective characteristics of the EC as a donor* include: scale/volume of aid, the global reach (and multi-level reach), grants (more than loans), a full range of instruments (grants, loans, emergency aid, budget support, ...); specific own experience of the EU in certain areas (regional integration, enlargement, etc) and areas of EC competence
- b. *Points dependent on political will of EU Member States.* These essentially evolve around the degree to which the EC is used as a focal point for collective action. The advantages that can be drawn from collective action include improved quality of work as a result of pooling of collective experience and peer group incitement; critical mass and increasing political weight internationally and greater efficiency via harmonisation.
- c. *Relative and subjective characteristics:* As a global player the EU can be seen to have other comparative advantages, but which are dependent on one's point of view and often they are relative to what other global players provide. Thus the political neutrality of the EU, something that is often cited as an advantage, is certainly seen as stronger than that of some of the EU Member States with a colonial past, but not as strong as the neutral image of some of the others. Equally the EU is probably less neutral than some of the multilaterals and as the CFSP and ESDP side of the EU's external action increases its political neutrality is likely to decrease. Ultimately, however it is more a question of the EU providing a counterbalancing force in international affairs which some partner countries feel more comfortable with than the position of some of the other major global players. In a similar fashion the perceived comparative advantage of 'European values', is clearly relative to one's point of view and whether one is comfortable with the 'baggage' of values Europe brings with it in its international cooperation. Here again as the EU enlarges the coherence of these European values is also more likely to weaken.

90. In sum the debate on comparative advantage is not really moving forward. Yet the notion of comparative advantage is seen as important and many of the ideas are widespread, but they do need to be brought together and better articulated possibly using the categorisation proposed above. Clearly if the EU wants to develop its comparative advantage and use it as a basis for prioritisation of its work it can do so most easily by focussing on the characteristics in the first category. Those in the second category are however dependent on collective debate within the EU between the MS and with the EC and reaching an agreement to work together more effectively. In other words, with these, it is possible to increase the EU's comparative advantage quite substantially but there has to be the collective political will to do so. The third category will remain relative and subjective. Relative in that these points are not the exclusive domain of the EU and the EU's 'advantage' here will always be dependent on what the other global players do and the positions they take. They are also subjective in that different people will see them differently and may or may not see them as an advantage.

5.2.3 Focal Areas

91. Our literature search indicated that the focal sectors were probably one of the most important novelties that the DPS brought to EC development policy, so it is particularly interesting to see how the idea fared. In fact, for many this is one area that the DPS can be said clearly to have had an impact: thus in the views of many, EC aid has become much more focussed than previously. However, the six focal areas of the DPS is another issue that raised a wide variety of views and evidence from case studies. If there are general lessons to be drawn they are probably first, that the principle of concentration on focal areas is much more strongly accepted than the particular selection made in the DPS, and second, that there is a feeling that the focal areas can work against partner country ownership and not match the realities faced by different regions if focal sectors are not adequately chosen. As a result, many respondents felt it may be more appropriate to define focal areas at the country level than at the EU wide level.

92. In the case studies, it was observed that within the six focal areas chosen by the DPS, the actual selection at the country level varies a lot. This variation does not appear to be always linked to any specificity of the EC, but some EC officials felt that this was partly because the initial selection was too ACP centric. The six focal areas of the DPS are not inappropriate, as they are found in various forms across all the regional programmes even when they are not explicitly identified. However, at the same time they are used with a lot of flexibility and in some CSPs, particularly in non-ACP regions, the match with the DPS focal sectors is often poor. Transport was very present in our sample, as was macro-economic support, though what the latter is used for varies hugely. Macro-economic support in the health sector is common, and evaluations are critical of this because other donors are also very active in this sector. On the regional level, we observed some variations in the formulation of focal sectors and those chosen often (eg. in TACIS and CARDS) overlap with but are not identical with those of the DPS. Two issues which are not given much attention in the DPS re-occurred a significant number of times across the case studies as being important: conflict prevention and HIV/AIDS.

93. The EP respondents were one group that felt the next DPS should be more flexible on this question so that partner countries could more easily prioritise the sectors for which they wanted EC aid. A number of MS respondents agreed. They also stressed the value of concentration for the EC, but felt partner country ownership was vital. External experts took a similar stance. They were among those that raised the question of how the focal sectors were linked to poverty reduction, saying that this should be much more explicitly argued in each case. Partner country government respondents however felt the way the current focal sectors had been worded in the DPS was sufficiently flexible to allow for country level priorities to be accommodated relatively easily. This latter view seems to echo the critics who said the definition of the focal sectors in the DPS was so loose and flexible as to be fairly meaningless. All this then might be said to prompt the conclusion that while the DPS appeared to define strict focal sectors, in fact it was not that strict at all and that, in practice, actors did not feel constrained in following a pragmatic course of adapting the focal sectors to local circumstances so as to ensure relevance and partner country ownership. The lesson to be drawn for any future DPS would thus be to follow this trend and (i) insist on the value of the principle of concentration; (ii) stress that when concentration areas are chosen the link with poverty reduction is clearly argued; (iii) suggest areas where the EC has strengths and comparative advantages, but (iv) allow the actual choice of focal areas to be made at country level according to local circumstances, government priorities and coordination possibilities with other donors. Concentration is also important as a principle because the Commission has limited human resources and concentrating on a limited number of focal sectors should also translate through into lower requirements in terms of numbers of expert and specialist staff.

5.2.4 Mainstreaming

94. The main message emerging on the success or otherwise of the mainstreaming of cross-cutting issues proposed by the DPS is that the mainstreaming of cross-cutting issues

has not proved easy in practice, although the principle is generally accepted. Yet, at the same time, in the policy review it was apparent that the mainstreaming concept clearly pre-dates the DPS, and various in depth policy and programming documents had been prepared on the subject in the years prior to 2000. Human rights and environment appear to be the two cross-cutting issues that are most commonly referred to in policy documents at the country level, whereas gender is dealt with unevenly and often in very broad terms, the exception being post-Taliban Afghanistan where a specific programme is dedicated to the issue. Children's rights are only picked up in a couple of country cases (eg. Philippines and Argentina) but not in other cases where this might have been expected (eg. countries with a high prevalence of street children). This was echoed by responses from Delegations that felt there had been more success with the mainstreaming of human rights and environmental issues, but gender and children's rights were more difficult.

95. Respondents by and large shared the view that mainstreaming was the best way to tackle cross-cutting issues such as gender, human rights and the environment and the differences of opinion were more about how it should be done and what other issues should be seen as cross-cutting. Member States representatives recognised this was not just a problem for the Commission, but was also something they were having difficulty with. HIV/AIDS was mentioned as one candidate for a further cross-cutting issue, but others stressed there were already too many. Lack of specialist staff capacity and resources were mentioned as obstacles to be overcome, others suggested that lack of staff training, and the reluctance of partner country governments were also obstacles.

5.3 Bottlenecks to Implementation

96. One of the biggest obstacles to the fuller implementation of the DPS identified by different respondents were the institutional divisions in the Commission which needed to be overcome. The lack of higher ownership levels for the DPS in the EU Institutions was commonly identified as a bottleneck, and something that could have perhaps been improved on if more attention had been paid to building a broad consensus through more extensive consultation during the preparation of the DPS. This was true both inside the Commission, with the lack of ownership felt by some officials in DG Relex³⁵, for a policy that was seen essentially seen as a DG DEV project, and externally, in the EP which had never endorsed the statement.

97. Some people felt that implementation would have been improved if the DPS had gone into more detail about how different aspects should be implemented. Indicators, targets and guidelines as well as clear action plans integrated into the DPS would all have helped to make it an easier statement to implement. At the same time, others felt the DPS should not go down to this level of practical detail.

98. The lack of progress on implementing the focal areas suffered partly from a lack of clarity in the definition of the focal areas in the first place, and the relation they each had with poverty reduction, as well as from the fact that they had to be balanced with the priorities of the partner countries. The main problems with mainstreaming were, as we have seen above, essentially related to lack of political will and lack of adequate resourcing: specialist human resources and staff training on the one hand, and financial resources for catalyst programmes on the other.

99. The way in which the DPS was communicated both inside the Commission and externally might also have been improved. This point was raised by several partner country governments but is also evident from the lack of knowledge of the DPS that we found in certain quarters. In the Commission the document was sent to key staff in delegations and other services and apparently delegations also sent it on to partner country governments.

³⁵ The lack of ownership for the DPS felt by many Relex officials can be partly ascribed to insufficient consultation, but it is also due to the fact that some officials feel it does not take into consideration the priorities that have been agreed (by the EC and the Council) for the programmes they administer, among which poverty reduction is only one. Some officials thus emphasised that, although the MDGs are an important reference point, some MICs also have other objectives to tackle.

The implementation was then further assisted by the iQSG insisting on the use of the DPS in the programming process, both in guidelines that they produced and in the scrutiny of country strategies. Little or no attempt appears to have been made to make it more accessible to wider audiences such as MEPs or development NGOs, who might have taken an interest and supported its implementation, or to use it for public awareness raising. The statement is certainly on the DG DEV website and is indeed the first document one gets to if one clicks on policy. However, it is presented in a very unpolished and take-it-or-leave-it way, with no effort made to give it an attractive appearance that might make it more appealing to audiences. The visibility of EC development cooperation and perhaps also therefore the impact of the Statement might have been improved if the DPS had been used as a centrepiece for a real communication strategy.

5.4 The Quality of the DPS

100. There were many views expressed on the quality and improvements that could possibly have been made to the content of the DPS, and it is necessary to read some of the annexes (particularly Annex D) to get a flavour of the full richness of ideas. A few overall points stand out. The first is that the quality of the DPS was solid, if not outstanding, in terms of development thinking in 2000 and has in fact stood the test of time fairly well in that there are only a couple of major areas where it has really been overtaken by events: such as with the MDG and the debate on security and development. The DPS also compares reasonably well with its peers in terms of content, though some national statements are certainly better argued, written and presented. The formulation of the DPS text could have been less vague and more polished, and in this sense the April 2000 Communication is seen as a more adequate and finished document.

101. More specifically, the argument on comparative advantages and added value could have been improved as could have been the explanation of the choice of focal sectors and how each one relates to the poverty objective. The Statement does respect the principle of ownership and alignment but still tends to argue the principles as seen from the Brussels end and more emphasis could now be added to the need to work with partner country priorities and policy frameworks.

5.4.1 Does the DPS match up to our framework of analysis?

102. The quality of the DPS should also be measured against the seven characteristics for a policy paper that were identified in Chapter 2. Set against these the DPS comes out reasonably well but this analysis also shows up areas where improvements are possible. The document's strongest feature was the setting of priorities and it was quite weak on the analysis of comparative advantages and consultation process [cf. also table in Annex A], but in more detail:

- a. The DPS provides a *contextual analysis* that is relevant and still reasonably up to date four years on. For its time and with its definite focus on poverty reduction as the overall objective, the contextual analysis was clearly in line with the on-going debate and satisfied the development sector commentators of the period. Now in 2005, it would benefit from an explicit link being made with the MDG and it should ideally be better positioned with respect to the new European external actions context with its larger group of external policies, including one policy area in particular that has recently become much more dominant: security strategy. A number of other events and international commitments could also be usefully taken into account.
- b. The criteria to *adjudicate between key issues* were present in the prominence given to the poverty objective and in the six focal sectors of the DPS. However, in practice the latter were not treated with the rigour one might expect and as a result the DPS came to be seen as loose and ineffectual in this area. What is more, the DPS did not seek to position EC development policy clearly with

respect to other policies of the Union other than to stress the importance of coherence. At the time that need may have been less pressing than it has now become, but in the Europe of the new Draft Constitution adjudicating between development policy and other external (and internal) policies has become as important as the choices to be made inside the development sector itself.

- c. The *analysis of comparative advantages* is present in the DPS, but it could have been more developed. The main difficulty is that the subject is contentious because of the wide variety of views that exists among stakeholders about what the European Union is and should be, let alone about what it should be doing in development cooperation. Member States are thus often reluctant to concede advantages to the EC or recognise that a particular task is perhaps better done at the Union level. In addition, each Member State will tend to have a different view on the subject which makes reaching a consensus even more difficult. It is striking that the analysis of the EC comparative advantages was much more detailed in the EC Communication³⁶ and yet that no elements of this discussion were carried through into the DPS.
- d. The *setting of priorities* was perhaps one of the areas where the DPS got furthest and for which it is most remembered. EC cooperation is now seen as more concentrated and focussed than in the past. At the same time while some of the six priority areas chosen were relatively well received, others have proved to be fairly contentious. What is more, this initial setting of priorities was then often ignored by key actors, and many stakeholders feel that it was little more than an expression of good intentions. Others argue that for a donor as large as the EC it is virtually impossible to have tightly bound overall priorities (the EC, like only a handful of other donors, cannot for instance set geographical limits to its aid) and that it is better therefore to aim for concentration at the country level where priorities can be set to match the needs of the partner country and in conjunction with other donors and what they can contribute.
- e. With regards to *action-orientation*, the DPS is not intended to be strong on action points, but stays resolutely at the level of policy and principle. It is also explicitly stated at the end of the DPS that it is to be accompanied by an Action Plan to be prepared by the EC each year.
- f. The main *accountability mechanism* identified in the DPS is the Annual Report which has indeed been published regularly since then and is becoming an important tool for dialogue between stakeholders. However, as part of the Reform of External Assistance the DPS was also associated with the establishment of a series of other mechanisms including a system for improved monitoring and reporting and the associated collection of statistics which are also being implemented step by step.
- g. Finally our research indicated that some *stakeholder consultation in the preparation* of the DPS did occur, but this was limited to discussions in Europe and among European stakeholders which took place over a relatively short period. It was also clear that one key stakeholder, the EP, was not adequately involved in the preparation and this lack of buy-in by the Parliament then proved to be a disadvantage in political debates between the institutions in subsequent years.

5.5 Summary

103. In sum, the DPS is clearly a *valuable* document particularly at the political and policy level, but it has also been valuable in the field in programming. Its prime value therefore lies in the fact that it is an authoritative statement of the state of the policy debate at the moment it

³⁶ COM(2000) 212, 26 April 2000

was agreed. Moreover, it has stood the test of time in this respect even though it does need to be updated to bring it into line with the MDG and evolutions in the broader context of EU external actions.

104. The DPS has been *used* as a tool in policy discussions between the EU Institutions and has become a regular point of reference in policy documents, but less so in regulations. It is referred to in many CSPs though not in the Asian, TACIS and CARDS cases that we examined. However, its basic principles, particularly those established in the TEU, are nevertheless partly reflected in these cases. There was a widespread view that the DPS had done a lot to raise the profile of the *poverty focus*, and most respondents were in agreement that this needed to remain the primary objective of EC development cooperation. However, poverty reduction was not always found to be the main concern in all the country case studies we examined. There was a relatively wide range of views on what constituted the EC *comparative advantage*, with no one strong definition emerging and some calls for more in depth reflection on this issue. The principle of *concentration on focal areas* is much more widely accepted than the six areas chosen. There is also a feeling that focal areas can negatively affect partner country ownership, and that it may therefore be more sensible to define focal areas only at the country level. The principle of *mainstreaming* of cross-cutting issues has been generally accepted, but implementation is problematic.

105. One of the principle *bottlenecks to implementation* is a lack of ownership in certain Commission services. Some respondents felt more could have been done to provide guidelines for the implementation of the DPS. It is also clear that the DPS could have been better communicated externally, as this might have helped involve certain key stakeholders such as the EP and partner country governments more effectively in its use.

106. The overall *quality* is generally recognised as satisfactory and at a comparable level of quality with other similar statements. The arguments on comparative advantage and added value could have been better developed as well as the link between the overall poverty reduction objective and the chosen focal sectors.

6 Conclusions of the Study

107. The first overall point to make is that there is widespread agreement that the *DPS is an important document* for the EC to have. Moreover, this view is not just confined to officials in the EC institutions or indeed just to stakeholders from the development sector. There is also support for it among partner country governments, non state actors and from people active in other policy sectors. That said, there are mixed views about what its contents should be and the prioritisation it offers. There is also a strong feeling in some parts of the Commission that the DPS is too much of an ACP document and that in its present form it cannot pretend to cover EC concerns in all developing countries, but even here there is still, by and large, agreement that such a document is necessary.

108. The DPS was also seen to be a document of sufficient quality that has by and large stood the test of time. The *European and international development context* has of course evolved since 2000 and this means that some updating of the document is needed, but there is also a strong argument for continuity. Among those things that do require updating is the need to bring the Statement in line with the UN Millennium Declaration and particularly the Millennium Development Goals which have become a key framework for the international consensus on development. In development policy terms another trend that could usefully be taken into account is the increasing importance attached to good governance in the last few years and the role of multiple actors, state and non-state in the development process. Although mentioned in the DPS these two related points could be furthered strengthened in any new DPS. Equally it would be important for any new statement to situate development policy with respect to other areas of EU external action as the interplay of development with foreign policy, trade and security policy has become a major feature in the last five years.

109. The *lack of ownership felt for the DPS in some quarters seriously undermines its usefulness*. The most evident dissatisfaction with the DPS inside the Commission is in DG RELEX. The controversy over the DPS is of course just a symptom of wider differences between the two DGs DEV and RELEX, but the level this disagreement has reached and the strong feelings the DPS clearly aroused in some quarters calls into question whether the European Commission can really be said to be following a single development policy and whether the current DPS is flexible enough to integrate the different regional concerns and priorities. Nominally, DG DEV is expected to set the EC's development policy for all developing countries, but in practice, many officials clearly do not feel bound to follow it. There are of course shades of opinion and many officials, in various services, are not resistant to the principles espoused by the DPS, but find them hard to accommodate when they feel legal texts, defined priorities and organisational cultures pull them in other directions. The problem of lack of ownership also extends beyond the Commission and particularly to the European Parliament, where some MEPs were clearly frustrated at not being more involved in the debate in 2000 and others, and not just newly elected MEPs, are quite simply unaware of the document.

110. It is clear that one of the keys to achieving higher level of ownership of the DPS across the Commission lies in developing a more sophisticated and differentiated approach to *poverty reduction*. As things stand the development community is generally satisfied with the policy in this area and this includes by and large those officials working with LDCs and primarily the ACP, but officials who deal with MICs or regions of the world where the EU's foreign policy interests also include other strong priorities such as security or trade, find the current poverty focus hard to work with. A future DPS would gain in strength if this were taken into account and a policy developed that interlinked more easily with other EU external action policies.

111. The *principles the DPS contains are better known*, by and large, than the Statement itself. Thus the poverty focus of EC aid is very well known. This principle originates in the Treaty, but the DPS has done a lot to keep it in evidence. The six focal sectors and the principle of concentrating EC aid are also well known as are the cross-cutting issues. That these points are widely retained is an indication that the DPS has done a good job in pushing its message even though awareness of the document itself is relatively low. Some interviewees argued strongly for a more visible DPS in the future.

112. *The cross-cutting issues have not been successfully implemented* in the eyes of most of those involved, despite efforts made, notably by the iQSG, to provide guidelines and advice. However, it is also recognised that while the principle of mainstreaming is generally felt to be correct many donors find it hard to implement effectively. In the eyes of delegation staff the mainstreaming of human rights and environment has gone better than with the other cross-cutting issues. Having too many cross-cutting issues to mainstream clearly does not help and there is a view that specific resources need to be available to make mainstreaming effective; resources both in terms of specialist expertise to back up and help officials grappling with mainstreaming problems³⁷ and some financial resources for catalyst activities. *Gender awareness* and *environmental awareness* are the two cross-cutting issues most commonly recognised as appropriate for mainstreaming and about which there is little or no disagreement. In programming however, environmental issues are more commonly dealt with explicitly than gender. There is a greater variety of levels of acceptance and treatment of other 'horizontal' issues. *Human rights* are widely accepted, but are seen in different ways: sometimes as a cross-cutting issue, but also as one of the underlying principles of all EU action and as such written in as an 'essential element' to international agreements. For others again they form the basis for a particular 'rights based approach to development'. *Children's rights* are likewise seen sometimes as a cross-cutting issue and sometimes as an element of human rights. Very few country programmes from our sample explicitly covered children's rights; which suggests that they are seen more as a country specific focal or non-focal area in programming. *Conflict prevention*, which the DPS refers to as a bit of an afterthought at the end of the section on 'horizontal aspects' and after its list of cross cutting issues, is equally handled in different ways: as a focal area in some circumstances; as a systematic non-focal area in all RSPs in Africa; or again as something that has to be mainstreamed.

113. The *EC's comparative advantage was inadequately dealt* with in the 2000 DPS and could be exploited further in the future particularly if this is pushed as a policy and a real effort is made to seek out and capitalise on such advantages in practice. Comparing what was said on the subject in the Communication in April 2000 and the ideas that respondents to our enquiries come up with now, suggests that thinking on the comparative advantages of the EC as a donor is moving but only slowly. At the same time, it is a question that preoccupies stakeholders and should therefore be an issue that they are keen to debate and see progress on. For the purposes of developing policies linked to individual items on the list of areas in which the EC is perceived to have a comparative advantage, it is perhaps most useful to distinguish between three categories. These categories are explained in some detail in the previous chapter, but they essentially revolve around whether the perceived advantage is based on objective features of the EC as a donor or on more subjective and possibly disputed perceptions. As was explained in the previous chapter the:

- a. *Objective characteristics of the EC as a donor* identified by stakeholders typically include: the scale/volume of aid, the global reach (and multi-level reach), grants (more than loans), a full range of instruments (grants, loans, emergency aid, budget support, ...); specific own experience of the EU in certain areas (regional integration, enlargement, etc) and areas of EC competence (eg. trade).
- b. *Points dependent on the political will of EU Member States* constitute a second category. These essentially revolve around the degree to which the EC is used as a focal point for collective action by the 25 Member States and the advantages that this can offer in terms of improved quality and efficiency of work as well as in terms of critical mass and increased political weight.
- c. *Relative and subjective characteristics* make up a third group of perceived comparative advantages which is probably the most difficult to exploit. As a

³⁷ A lack of adequate human resources is not just an issue for the mainstreaming of cross-cutting issues, of course, though perhaps it is felt most acutely here, as, when resources are limited, it is areas of work that are in some way seen as 'secondary' that tend to suffer first. The implementation of any future DPS would clearly in general be easier if human resources are adequate in all the relevant services.

global player the EU can be seen to have comparative advantages, but which are dependent on one's point of view and are often relative to what other global players offer. Thus the 'political neutrality' of the EU or the Union's 'European values' are on the one hand largely subjective and dependent on one's point of view and, on the other hand, are relative to what other comparable donors offer and therefore subject to changes in the way other donors present themselves.

114. Associated with this latter question of comparative advantage is that of the *value-added* of the EU as a donor which does not feature that prominently in the DPS. There exists a fairly wide range of views on this that needs to be handled more adequately in the future. The principle of the EC focussing on what it does best and where it has a real added value is not contested, and the concept of *concentration* is therefore likely to be a key point on which to build further in any future policy statement. However, different ideas about how best to define the EC's value added were advanced. It is commonly suggested that concentration could be done on the basis of a combination of several of the following criteria:

- a. Sectors relating to the EC's own experience – eg. regional integration
- b. Sectors for which large grants are required – eg. infrastructure
- c. Sectors related to the EC's own competences – eg. trade
- d. Sectors linked to other EC policies with external impact – eg. agriculture or fisheries
- e. Sectors where the EC has existing and recognised expertise – eg. roads, budget support, partnership approach
- f. Sectors which are critical for poverty reduction and high on the international agenda (eg. MDGs) to the extent that a donor of the scale of the EC (as in b. above) cannot avoid them – eg. social sectors
- g. Sectors requiring critical mass where the EU MS want to work through a single united mechanism that will give greater influence and impact than if they acted individually – eg. global funds, budget support
- h. Sectors which combine two or more of these features – eg. infrastructure projects which have a regional dimension

115. One further conclusion on this issue is therefore that this question needs further research and debate. A specific study on the comparative advantage of the EC and the areas it can provide added value might well be worth financing and could contribute to triggering a process of reflection on this question between the Member States and the EC. Such a debate is all the more needed with ten new potential European bilateral donors on the development scene. If such a study were embarked on, it should include some field work and focus on how the comparative advantages / added value of the EC are perceived in partner countries by both governments and civil society. So far this debate has mainly taken place in European circles and making further progress on the issue might well be easier if there was a clear analysis of perceptions in partner countries.

116. A key point that has to be argued strongly to justify the EC concentrating in certain sectors is that its contribution must be seen as *complementary* to that of the Member States and therefore as part of an overall EU effort. This of course also has implications on the way EC aid is then allocated. Thus if the consensus in the EU as a whole (EC, MS, EP and NSAs) is that the best way for the Union to support infrastructure projects or to encourage peace and stability in neighbourhood areas is through the EC, then EU stakeholders should not also criticise the EC for spending a large proportion of its funds on roads or on middle income countries around the fringes of the Union. These are political decisions that make sense at the EU level, but they need to be accompanied by a certain consistency in judgement which implies that the EC's development effort should also be seen in an EU context. The implication of complementarity is that while the whole EU development effort may well have a strong poverty focus, not all constituent parts of it necessarily will.

117. In fact the issue of *complementarity* is probably one of the biggest disappointments of the DPS. The Commission's choice of six focal areas for its policy which was then endorsed

by the Council in the DPS should logically have been the first step in a discussion between the EC and the MS about how their programmes could then be made more complementary with that of the EC. Latterly the debate on coordination has started to move, prompted in part by the calls for harmonization in the wider donor community³⁸. Much of this discussion has been about donor coordination and harmonization on the ground, and the EU Member States have been reluctant to follow the Commission's suggestion to support this with greater EU coordination at the policy level at head quarters. Their preference is to use the broader forum for donor coordination rather than the more restricted one of the EU. Nonetheless, there is now a greater willingness to discuss how to implement the three Cs than there was at the time the DPS came out, so it is possible that real progress can be made in this area in the next few years providing of course that the political will to compromise can be found.

118. *Familiarity with the DPS* varies considerably from institution to institution and place to place. Officials in the Commission are clearly familiar with it no matter which external action DG they work in though some do not see it as a particularly important document. Member States' representatives working on development in Brussels clearly also see it as an important yardstick, but our impression is that in ministries around Europe familiarity with the DPS falls away quickly. In many new Member States governments it was clearly not a familiar document at all. In the EP levels of knowledge are surprisingly low, with some experienced MEPs knowing key principles from the DPS (eg. the 6 focal areas), but not realising which document they originated from. Development NGO actors in Europe by and large knew the DPS, though for some its profile was not high. Again the principles were often better known than the statement itself. We experienced considerable difficulty getting responses to questionnaires from partner country governments and NSAs, and a couple of indications led us to believe this may have been partly because the DPS was not known and those contacted therefore found it hard to respond. In other words, the DPS has become largely a document for EU development policy specialists, known by those who have to put it into effect and those who follow their work most closely. Beyond that small circle it is not a document that commands attention. This is not necessarily a serious problem, but it does have implications for what can be expected to happen with any new statement unless it is seen as desirable to achieve a much wider level of public awareness (as some interviewees suggested would be good), in which case a major effort would have to be made to ensure that it was effectively communicated. If the DPS is to be a public awareness raising tool, then it will have to be written and communicated very differently than in the past. This may however fit in well with the Barroso Commission's expressed desire to greatly improve public awareness and understanding of the EU's role in the world

119. In sum, the conclusion of this study is that the DPS has been of value as a focal point that has contributed to providing a sense of direction and purpose for many parts of the EU development effort and has had an impact in pushing EC cooperation to become more poverty focussed and more concentrated. Despite these successes, it is clear that it is appropriate to consider reviewing it for two major reasons. First the context has clearly changed since 2000 not just in terms of the external environment, but also because the EU institutional context for external affairs is undergoing major changes. A new statement better adapted to these new circumstances would be valuable. The second reason however, is that there is a serious problem with the extent to which the DPS is accepted as a policy that is relevant to all developing countries. Although this is the intent, it is clearly not seen as such by all officials. The process of preparing and using the DPS has brought to the fore serious differences within the EU institutions. The Statement is not in itself the cause of this situation, although it may have contributed to deepening existing fractures. It is also likely that a new DPS on its own will not be able to resolve the splits, and that more institutional solutions will be required. At the same time however a new DPS which simply avoids this issue and does not seek to build bridges could well make the situation worse. It would seem advisable therefore to ensure that every effort is made to work towards an inclusive statement that encompasses the different development realities faced by different services of the Commission, and that serves the needs of a much greater proportion of them, while at the same time pushing the cause of development cooperation both in the EU external actions debate and on the ground in partner countries.

³⁸ Cf. High Level Donor Forum in Rome (2003) and scheduled again for Paris in March 2005 – covered in Chapter 3.

7 Options for the Future

120. Apart from the actual policy choices to be made in the content of the new document, there would appear to be three other areas where decisions are needed regarding what to do with a future DPS. These relate to:

- a. *The type of document* sought in terms of its level of detail and prescriptiveness,
- b. *The speed with which it is prepared*, which in turn will determine the extent to which consultation with different actors is possible, and
- c. *The way in which it is communicated* to users and other stakeholders.

Our research during the current study has indicated that all these factors can play a role in the extent to which the DPS is accepted and used effectively.

7.1 Types of policy documents

121. In terms of this first choice on the type of document, one can imagine the options as situated along a continuum from a short, high-level strategy document which only spells out key principles to, at the other end, a longer more detailed document which goes from principles right down to specific guidelines and a work programme. The DPS from 2000 is situated somewhere in between these two extremes. Our research has indicated that different stakeholders have different priorities and needs and that there is no one option that really stands out as preferable for all. It will thus be impossible to satisfy everyone and the choice is therefore probably more a matter of maximisation and seeking to ensure that certain key stakeholders are catered for as much as possible.

122. *The first option* would then be to choose a middle point in the spectrum and essentially review and update the current DPS. A key question would be whether to be more precise and definite about the focal sectors or whether to leave them relatively open so as to cater for a wide range of programmes as at present, with the attendant risk that many stakeholders would then continue to see the statement as 'wishy washy' and open to anything.

123. *The second option* would be to opt for a statement closer to the high-level strategy extreme of the spectrum and state only the high level objectives and key principles of EC development policy. One would include poverty reduction and the achievement of the MDGs as the overarching objectives, the principles of human rights, democracy and good governance, a commitment to multilateralism, a very limited number of other principles currently termed 'cross-cutting issues', a strong statement on the EU's comparative advantage, the need for concentration (though it would not specify focal sectors) and a clear commitment to the 3Cs with some indication of how this would be pursued ideally involving a commitment from Member States to some form of division of labour. In addition to providing a framework for the EC's development programme, the prime aim of such a statement would be to set landmarks for the policy mix discussions in the EU's external action sector. Thus it would also be useful to indicate the contribution development cooperation can make to supporting other external policies of the Union and in turn how these might support the objectives of development. However, while such a statement might be well suited to this latter purpose it is likely that it would not satisfy the development community.

124. *The third option* would be to go in the other direction and seek to develop a statement that was even more detailed than the current DPS from 2000. This would then specify targets and indicators, the objectives to be achieved against specific MDGs, provide guidelines for action and indicate what instruments would be used. The logic of such an option would also include the definition of focal sectors and clearly one difficulty with such a more detailed statement would then be building in sufficient flexibility to allow for adaptations to local circumstances and partner country policies. In principle such a statement would satisfy demand from the policy end of the development community, make it easier to measure progress achieved and facilitate evaluation work. However, it is unlikely to be that effective as a basis for policy mix discussions with the other EU external action instances. Moreover development practitioners on the ground are likely to find it harder to marry satisfactorily with partner country priorities.

125. *One final option* presents itself and that would be to go for a combination of the two extreme ends of the spectrum and have both a high-level policy statement and a separate more detailed multi-annual strategy which could possibly be partly articulated on a regional basis. Such a multi-annual strategy might be linked to the period of the Financial Perspectives and it would probably also lessen the need for the EC's current annual action programmes. The high-level policy statement would provide the basis for discussions in the EU's external actions sector. It would also provide guidance for developing the multi-annual strategy and regional strategies. It would serve as a backdrop along with the multi-annual strategy (and appropriate regional strategies) for preparing country strategies closely aligned with partner country programmes and PRSPs. The multi-annual strategy could then provide the level of detailed guidance that the development community is keen to have, however it would not specify focal sectors which would be defined at the regional and country levels to take account of local priorities. Differentiating between these two functions would also have the added advantage of allowing a two-speed approach to the preparation and drafting process, with the high-level policy paper moving faster with a shorter consultation period while the more detailed strategy could be discussed more carefully with stakeholders.

7.2 Preparation & consultations

126. The speed with which the preparation and drafting process is conducted is an important consideration for the level of ownership that the statement can claim and, in turn, its likely effectiveness. In fact a large part of the inherent value of a policy statement is in the process of consensus building it succeeds in achieving during the period up to the point it is adopted and agreed. More time allows stakeholders, both internal and external to the Commission, to feel they have the space to participate and be listened to and they are then more likely to support the document during its lifespan. Of course the lack of internal ownership for the current DPS exhibited by many EC officials is a symptom of wider structural problems in the external services of the Commission which clearly need to be addressed by other means. But the question nevertheless arises whether the preparation of a new DPS can be used as a unifying factor rather than something that further divides people.

127. At the same time, of course a completely open-ended timetable, is not desirable, and it is therefore important that for the external consultations the EC sets out an adequate but clearly defined timetable from the start. The time required by the European Parliament to prepare and adopt a report on the new statement is probably key to determining a sensible period for consultation as it has set procedures which cannot be shortened beyond a certain point. At the same time, with the advent of co-decision in the development sector there are now strong reasons to ensure the EP is properly involved this time round. Civil society stakeholders also need to be consulted but they should be able to work within the limits of the same timeframe as the EP. Moreover, the EP also provides one channel for civil society actors to feed in views.

128. Considerations of timing will also need to be linked to the wider political and institutional agenda. Thus it may be valuable to delay final agreement till after the outcome of the UN stocktaking on the MDG in September 2005 has been properly considered so as to ensure the new statement does not, once again, fail to take account of this important event. Equally, one can imagine that any statement will be closely linked to the new economic cooperation and development instrument proposed for the EU Financial Perspectives 2007-2013 and its approval would therefore also have to take into account that timetable.

7.3 Communicating a new policy

129. Communicating the new statement effectively is of utmost importance in terms of ensuring its impact. This starts from the level at which it is adopted and the importance it is given by the Institutions at that moment. If one of the key roles of the new development policy is to function as one of the EU's external action policies alongside trade policy, security policy, humanitarian policy and others and be seen as one full element of the external action policy mix in EU decision making, then it is desirable it should have a similar status as the others and

some thought needs to be put into how this is achieved. One suggestion advanced in the interviews was that any new statement needed to be approved by the European Council and not simply by the Ministers of Development if it was going to have a similar status to other Union external policies.

130. At a second stage the new policy needs to be communicated properly through the services of the EC and the Member States and regularly kept in the public eye so that all stakeholders come to see it and use it as an essential point of reference. In sum, it is advisable to develop a communications strategy while preparing the new DPS, with appropriate complementary information tools (i.e., press-kits, brochures, internet site, etc.) to serve different stakeholders as well as the broader public, and to ensure that the relevant Commission departments are actively engaged in these efforts.

7.4 Vision for the future of European development cooperation

131. There is one final and eminently political choice to be made and that is the question of how far to push the idea of a European Union development policy as opposed to simply one for Community development cooperation. At the time of the 2000 DPS the debate on the Maastricht three Cs was sluggish and EC development cooperation was being heavily criticised. The urgent need then was to put the EC development house in order. But times have moved on and the Member States' annual reviews of the effectiveness of EC aid have become increasingly positive over the intervening years. The three Cs are now much more widely and willingly discussed and the importance of the harmonisation agenda is recognised not least in the 8th MDG. Coordination is improving, particularly on the ground in many country programmes.

132. Questioned on this aspect in the study interviews, most respondents felt it was still too soon to hope for an EU DPS, but many emphasised the need and indeed duty of Europeans to increase coordination and complementarity in the Union's overall international development effort. Some went further and argued strongly for the need to be ambitious and for the Commission to push the debate forward. The new Constitution of course still talks about Community and Member State cooperation programmes existing alongside each other, but it also refers to the importance of these being well coordinated, complementary and mutually reinforcing.

133. Referring back to the four options identified earlier in this chapter, an EU DPS would of course be easiest to conceive of at the level of high principle, that is in the Second Option above. Most of the principles outlined there (*poverty reduction, the MDGs, the principles of human rights, democracy and good governance, multilateralism, a limited number of cross-cutting issues such as gender and environment, the EU's comparative advantage, the need for concentration and a clear commitment to the 3Cs*) are reflected in many European documents and not least the Draft Constitution. They could therefore easily serve as the basis for a development policy statement that applied to the whole Union and served as a preamble or framework for the development policies of each Member State as well as that of the Community. Achieving such a level of political consensus is perhaps the real challenge for the next period in the history of European international development cooperation.

ANNEXES

Annex A: Comparing Development Policies

Annex B: Country Case Studies

Annex C: Analysis of DPS in Main European Commission Development Policy Areas

Annex D: Views of Actors

Annex E: Documentation

Powerpoint presentation available in separate file

A. Comparing Development Policies

Most development agencies work with some kind of overarching policy or strategy statement, whether in the form of a legislative instrument, a formal White Paper or a publication approved by the relevant minister. These policy or strategy papers typically specify guiding principles and/or mission statements. In some cases, the strategies also include the volume of aid, milestones, set priorities and/or indicators. The DAC has in the past done some work on comparing such statements as outlined in the box below.

Organisational Frameworks: Aid Policy and Legislation – points from the OECD/DAC³⁹

Another frame of reference on what constitutes a useful overall policy statement is provided by the OECD/DAC in their 1999 review of national management systems for development cooperation. This report argues that the main purpose of an overarching, general aid policy statement should be to offer a set of organising principles for the development co-operation programme and to inform the Parliament and the general public about its purposes. Since these policies are normally debated with civil society and submitted to Parliament, the consultative process through which they are prepared may be as important as writing the document itself, as the process can provide a foundation in public opinion for the programme and stronger inter-ministerial co-operation leading to better overall policy coherence.

In some cases policy statements relate exclusively to aid while others form part of the country's general policy on external relations. There are merits to both approaches. A specific aid strategy can be more detailed and comprehensive. On the other hand, a broad foreign policy strategy which includes development assistance would, other things being equal, tend to favour greater coherence across the range of relationships that exist between a donor and developing countries.

ODI has also undertaken a simple comparative exercise selecting a limited number of features commonly found in such overarching policy statements to build the attached table with comparable information from several national policy statements⁴⁰. This table is reproduced here in order to give a quick idea of the range of information that typically can be found in such statements. This straightforward analytical framework has also been used as one basis for assessing the 2000 Development Policy Statement in the current study.

Policy Statements from Major Donors

Given the wide variety of the selected development policy statements it is not possible to arrive at any far reaching conclusions on the basis of the material presented in the table below, but in sum one notes that:

1. Contextual analysis

Practically all development policy statements provide background contextual analyses, usually focusing on poverty and the Millennium Development Goals (MDGs) and/or poverty reduction. Quite a number mention other foreign policy objectives such as security, terrorism, trade, governance, democracy/human rights/rule of law and coherence. Several also refer to major UN and international conferences and current development thinking.

2. Adjudicated key issues and trade-offs

Different choice mechanisms and guiding principles are evident such as concentration of external assistance, conditions and performance based allocations. Others focus on a limited number of countries and/or sectors. In some cases, references are made to the use of certain aid modalities such as SWAPs and budget support and/or development frameworks such as the PRSPs.

³⁹ *A Comparison of Management Systems for Development Co-operation in OECD/DAC Members* by Hyun-Sik Chang et al. DCD(99)6, pp. 23

⁴⁰ *Revising the EU Development Policy: Issues and Options* by Simon Maxwell, Andrew Rogerson, Sven Grimm and Ralf Leiteritz. Overseas Development Institute, May 2004.

3. Analysis of comparative advantage

Only a few development policies in this sample address the question of national comparative advantage and/or added value of their interventions. Some policies refer to specific aspects of their national experience in providing external assistance and some refer to the national socio-economic model or cultural values.

4. Setting priorities

There are significant variations in the extent to which policy statements set priorities and targets for the agency's own actions. Some refer to political aspects of a state system, others to specific sectors or areas such as the environment, HIV/AIDS or food security.

5. Action-oriented

The policy statements and policies also vary considerably in the extent to which they are action oriented. Some policies contain specific references to levels of aid or targets for allocations for certain groups of developing countries.

6. Accountability

Most donors have some kind of reporting and monitoring mechanism attached to their policy document/statement.

7. Stakeholder consultation

The extent to which the papers were made subject of consultation varies significantly.

The DPS in comparison with the Communication

The same ODI paper also provided a table comparing the DPS and the Commission's Communication on EC Development Policy from April 2000⁴¹. This table is included at the end of this Annex A for reference purposes.

As the DPS is based on the Communication, and indeed endorses it, the differences between the two documents are not enormous though many stakeholders and particularly practitioners who have the task to put the DPS into practice prefer the Communication which is clearly more detailed and explicit on implementation issues in particular. The differences therefore lie less in the main elements of content but more in the emphases that the DPS, which is a product of discussions with the Council, puts on certain matters. Thus for instance the DPS insists more on the role of CSPs as an important focus for coordination and complementarity rather than insisting on a division of labour between Member States and the EC. On the other hand the DPS is more precise about the concept of cross-cutting issues and, puts more emphasis on the Cotonou Agreement as a model particularly on such issues as partnership. The Communication spends more time on discussing the poverty focus and what it implies and on the idea of the specific value-added of EC cooperation. Crucially the two papers are in full agreement on the need to put poverty eradication as the primary focus and on the six focal areas chosen for the concentration of EC cooperation.

⁴¹ COM(2000)212

Overview of Major Donors' Development Policies⁴²

Country	Contextual analysis	Adjudicate key-issues and trade-offs	Analysis of comparative advantage	Setting priorities	Action-oriented	Accountability	Stakeholder consultation
Sweden (Government Bill, 15 May 2003)	<ul style="list-style-type: none"> - Internationally agreed agenda for global development: MDGs, Monterrey, Johannesburg - Key challenges: peace and security; economic growth; environmental protection; demographics; HIV/AIDS; human rights; democracy - Rights-based approach 	<ul style="list-style-type: none"> - Primary goal defined as contribution to equitable and sustainable global development to be pursued on national, regional and global levels - Clear commitment to policy consistency and coherence aimed at achieving MDGs 	<ul style="list-style-type: none"> - Global Public Goods (co-sponsor of International Task Force) - Conflict prevention and management 	<ul style="list-style-type: none"> - Respect for human rights - Democracy and good governance - Gender equality - Sustainable use of natural resources and protection of environment - Economic growth - Social development and social security - Conflict management and human security - Global public goods 	No regulation of policy in detail rather "Sweden should..."	<ul style="list-style-type: none"> - Responsibility of government to implement, monitor and evaluate policy - Regular reporting to Parliament - Promotion of international 'Coherence Index' of OECD 	Produced by committee composed of members of all parliamentary parties
Finland (Government Resolution, 5 February 2004)	<ul style="list-style-type: none"> - MDGs as overall policy framework - Commitment to rights-based approach - Eradication of extreme poverty - Change in development cooperation 	<ul style="list-style-type: none"> - Focus of development co-operation on fewer countries and larger entities to improve effectiveness (8 long-term partner countries with 3 sectors or programmes at most + budget 	<ul style="list-style-type: none"> - Own cultural history and experiences and values, e.g., role of regional arrangements - Special strengths and skills acquired in certain sectors, e.g., ICTs 	<p>Cross-cutting themes:</p> <ul style="list-style-type: none"> - Promotion of gender equality - Environmental issues - Promotion of marginalised groups in society - Specific areas: <ul style="list-style-type: none"> - Education - Health care 	<ul style="list-style-type: none"> - Commitment to 0.44 % of GNI in 2007 and 0.7 % in 2010 for development - Other quantitative targets for aid spending for certain 	<ul style="list-style-type: none"> - Long-term commitment and transparency in financing and contents of policy - Quantitative ceilings for use of ODA for administrative expenses of MFA (5 % of annual increase) 	

⁴² Table comes originally from Simon Maxwell, Andrew Rogerson, Sven Grimm and Ralf Leiteritz, "Revising the EU Development Policy: Issues and Options", London, ODI (mimeo). Information for Spain was added to this table.

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	towards programme-based cooperation	<p>support for PRSPs)</p> <ul style="list-style-type: none"> - Variation of co-operation: from grant aid to more diversified forms of relations (with Egypt, Namibia, Peru) - Otherwise: limited duration of involvement, participation as member of international community, arrangements for joint financing 		<ul style="list-style-type: none"> - HIV/AIDS - Social security - Water - Natural resources - Food security - Information society 	<p>countries and groups</p> <ul style="list-style-type: none"> - Preparation of separate action plan, specifying targets and areas of responsibility; independent evaluations, e.g., OECD/DAC 		
<p>United States (White Paper on 'U.S. Foreign Aid: Meeting the Challenges of the 21st Century', USAID, January 2004)</p>	<ul style="list-style-type: none"> - 2002 National Security Strategy: development along with diplomacy and defence as part of national security - Challenge of improving aid effectiveness and policy coherence - 'Transformational Development' as extension of MDGs 	<ul style="list-style-type: none"> - Clear delineation of goals and alignment of resources with goals - Increased selectivity in allocating resources across countries based on performance (via MCA mechanism) - Stronger emphasis on institutions, institutional capacity, and absorptive capacity both in allocating and programming aid - Greater emphasis on graduation 		<p>5 operational goals:</p> <ul style="list-style-type: none"> - promoting transformational development - strengthening fragile states - providing humanitarian relief - supporting U.S. geostrategic interests, i.e., strategic states - mitigating global and transnational ills, e.g., HIV/AIDS, climate change, drugs 		<p>Based on recipients' need, commitment and performance evaluation leading to increase in aid effectiveness</p>	

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<p>Norway (Fighting Poverty. Norway's Action Plan 2015 for Combating Poverty in the South, March 2002)</p>	<ul style="list-style-type: none"> - Commitment to poverty reduction, MDGs, and PRSPs - Rights-based perspective - Challenge of policy coherence, e.g., in energy, fisheries, immigration, and agriculture 			<ul style="list-style-type: none"> - Education = No. 1 priority (increase to 15 % if total ODA) - Health - Good governance - Democracy-building through support to political parties - Peace and development - Private sector development 		<ul style="list-style-type: none"> - Increase ODA to 1 % of GNI by 2005 - At least 40 % of bilateral aid to LDCs - Evaluation and review of development assistance administration underway 	
<p>United Kingdom (White Paper on International Development, December 2000 + International Development Act June 2002)</p>	<ul style="list-style-type: none"> - Commitment to goal of poverty reduction and MDGs; - Globalisation as central challenge of our time 			<ul style="list-style-type: none"> - Health - Education (primary schooling) - Good governance and rule of law - Private finance and investment - Trade liberalisation - Environment - Reform of international system 		<ul style="list-style-type: none"> - Commitment to 0.33 % of GNP for ODA by 2003/4; Untying of all UK aid; - Annual Departmental Report includes progress towards reaching the MDGs; - Public-Sector Agreements (PSAs) between DFID and other ministries regarding MDGs 	
<p>Netherlands (Mutual interests, mutual responsibilities: Dutch development cooperation en route to 2015. Minister for Development</p>	<ul style="list-style-type: none"> - Sustainable poverty reduction in context of MDGs - Programmatic approach in bilateral policy Integrated foreign policy approach combining diplomacy, 	<ul style="list-style-type: none"> - Concentration: Number of bilateral partner countries to be reduced from 49 to 36; number of sectors per country limited to two or three at most - Results-driven: new appraisal system and assessment framework for 		<ul style="list-style-type: none"> - Education (15 % of development budget) - Reproductive health - HIV/AIDS - Environment and water (0.1 % of GNP) 	<ul style="list-style-type: none"> - Continuation of 0.8 % of GNP allocation to ODA - At least 50 % of ODA to be used in Africa focusing on conflict management, security 	<ul style="list-style-type: none"> - Up-front statement on spending on reaching MDGs for education, environment & water, AIDS prevention and reproductive health care by 2015; - Multiple instruments for measuring quality and effectiveness of aid, e.g., evaluating 	

Comparing Development Policies

Cooperation, October 2003)	political dialogue and pressure, security policy, trade, market access and development cooperation	country and sector policies; - Public-Private Partnerships			building and peace brokering (establishment of Stability Fund for quick release of money)	partner countries, sector performance and forms of assistance; - Annual report to parliament on Dutch contribution to reaching MDGs in partner countries starting in 2004	
France (French development aid policy, 2002)	Central objective: poverty reduction and inequalities in the framework of sustainable development	'Strategic country documents' (DSP) since 2000 (15 in 2002) to be extended to all countries in 'priority solidarity zone' (ZSP)		Concentrating resources on countries in the ZSP (54 countries in 2002, mostly in Africa and LDCs), ZSP received 53 % of bilateral aid in 2001		Annual Report on aid efficacy by inter-ministerial working group	
Austria (Three-Year Program for Austrian Development Cooperation: 2004-2006)	<ul style="list-style-type: none"> - Official goals: - Fighting poverty (MDGs) - Maintenance of peace and human security - Environmental protection 	<ul style="list-style-type: none"> - Geographical concentration on focus countries based on following criteria: - Poverty indicators - Good governance assessment - Partnership assessment - Synergies based on complementary interests 	<ul style="list-style-type: none"> - Based on experiences in last 10 to 15 years comparative advantages in: - Water and sanitation - Rural development - Energy - SME development - Education - Good governance and democracy-building 				
Denmark	<ul style="list-style-type: none"> - Focus on support for poverty-oriented 	<ul style="list-style-type: none"> - Cohesion between assistance policy and Danish refugee 		<ul style="list-style-type: none"> - Education, Health - Private sector development 			

Comparing Development Policies

	<p>economic growth in context of PRSPs</p> <ul style="list-style-type: none"> - Increased focus on efficiency - Recent attention to international terrorism 	<p>policy (readmitting of rejected asylum seekers)</p> <ul style="list-style-type: none"> - Demands for good governance and respect for human rights when allocating aid 		<ul style="list-style-type: none"> - Promoting the role of women, Fight against global terrorism (approx. DKK 145 earmarked for 2004-2006), bilateral focus on Middle East area (Yemen, Iran), Asia (Indonesia, Central Asia), and Africa (Niger, Kenya) 			
<p>Spain (II Master Plan/MP (2005-2008- currently in preparation), based on International Development Coop. Law, 1998)</p>	<ul style="list-style-type: none"> - MDGs is one of MP's main axis; - Committed to reach "20/20" Social Summit goals. - Monterrey Commitments: government aims to reach 0.5% ODA/GDP by 2008; - Member of Lula's Global Alliance against Hunger & Poverty 	<ul style="list-style-type: none"> - Aims to adapt MDGs to MICs which are Spanish aid's main recipients. - Increased collaboration with multilaterals and EU 	<ul style="list-style-type: none"> - Latin America and Magreb are seen as main regions of comparative advantage: historical ties and strong aid presence, as well as migration and FDI. - Key sector advantage: governance. Spain uses own experience of return to democracy and political/admin. reform in its aid. 	<ul style="list-style-type: none"> - Focus on Latin America and Mediterranean, with increasing aid to SSA. Within LA, there are 10 priority countries in Andes and Cent. America. - Main sectors: <ul style="list-style-type: none"> - Social cohesion. - Governance - Small-scale economic activities. - Key cross-cutting issues: Indigenous Communities and environment. 	<p>Not detailed in MPs; these are found in bilateral indicative programmes which are partly dependent on MPs, but also depend on bilateral negotiations.</p>	<ul style="list-style-type: none"> - Parliamentary Commission regularly request official presentations. Master Plan must be approved by Parliament, but it does not carry out systematic ex-post review of MPs. - Govt's evaluation "system" need to be revamped 	<ul style="list-style-type: none"> - Will strengthen consultative Council and Interterritorial Commission (includes representatives from municipal and regional governments. which are active donors) - With partner countries the main vehicle is the Bilateral Commissions
<p>Canada (CIDA policy statement on strengthening aid effectiveness, September</p>	<p>30 core (or Category 1) countries and regions, but traditionally least concentrated aid of all DAC member</p>	<p>Lack of aid concentration changed for limited number of enhanced partnerships (high poverty level, commitment to</p>		<p>Commitment to MDGs followed up by at least doubling of investments in four Social Development Priorities over 5 years</p>		<p>Evaluations and audits conducted at program and country levels with priority on assessing institutions and countries receiving largest aid</p>	

Comparing Development Policies

2002)	states	development effectiveness and good governance					
Japan (Official Development Assistance Charter, 2003)	New cross-border problems and challenges, e.g., terrorism, human rights, democratisation; need to secure national security and prosperity	<ul style="list-style-type: none"> - Basic policies: - Supporting self-help efforts - Individual human security perspective - Assurance of fairness - Utilization of own experience and expertise - International partnerships 		<u>Priority Issues:</u> <ul style="list-style-type: none"> - Poverty reduction - Sustainable growth - Addressing global issues - Peace-building <u>Priority Region = Asia;</u> <ul style="list-style-type: none"> - Assistance to other regions based on specific needs and circumstances 	<ul style="list-style-type: none"> - Medium-term ODA policies and country assistance programs for major recipient countries to be drawn up; - methods of assistance (FC/TC) linked together; coordination through Inter-Ministerial Meeting on ODA 	Annual Report on implementation of ODA charter	
Australia (Statement to Parliament, September 2002)	<ul style="list-style-type: none"> - Poverty reduction and - advancement of national interest 	<ul style="list-style-type: none"> - Support for fewer but larger programme activities; - Strategic approach to funding multilateral development organisations (support for effective and efficient organisations aligned with national priorities) 	Practical experience and relationships with countries in Asia Pacific region	<ul style="list-style-type: none"> - Geographic focus on East Asia and Pacific region (89 % of bilateral aid in 2001/2); bilateral aid - partnership with 47 countries; - Sectoral focus on good governance programmes and social policies (basic education) 			

Comparison between Commission Communication and Council Statement on European Development Policy in 2000⁴³

	Commission Communication ‘The European Community’s Development Policy’, April 2000	Statement by the Council and the Commission, November 2000
New challenges for development	Sustainable development; globalisation; aid fatigue; crises and conflicts rising; DAC Objectives 1996	Communicable diseases; globalisation; inequality; debt; poverty and exclusion as root causes of conflict
Trade and development	Trade preferences for developing countries EU-ACP Partnership negotiations Bilateral free trade agreements Importance of trade-related capacity building Major challenge for EU until 2010: mutual reinforcement between development and trade and investment policies	Improved trade preferences for developing countries Sequential approach to trade and investment liberalisation Capacity-building measures, e.g., technology transfers, access to information and world networks, investment promotion, etc.
Coherence, coordination, and complementarity	<i>Coherence</i> of external policies (trade, development, etc.) Avoiding unintended incoherence by paying attention to indirect effects of policies Commission to point out incoherent decisions and orientations <i>Complementarity</i> between EC and member states’ policies to be ensured by division of labour	Increased <i>coordination</i> within EU (reciprocal information exchanges) offers great scope for increasing aid efficiency Better coordination between Commission and member states’ representatives on the ground using the Country Strategy Papers (CSPs) as main vehicle; improved donor coordination <i>Complementarity</i> between EC and member states’ policies to be ensured by division of labour; preparation of CSPs is special opportunity for promoting complementarity Greater <i>coherence</i> between various EC policies focused on sustainable development to be ensured by analysis of indirect effects of measures in sensitive areas
Partnerships	Working with civil society	Cotonou agreement as role model for inclusion of non-state actors, esp. NGOs, in EU development cooperation
Implementation problems	Aid system too complex and fragmented; policies guided by instruments rather than objectives and priorities; understaffing; slow disbursement; problems with M&E; little visibility of EU proper in international fora	
Comparative advantage of EU aid vis-à-vis member states	Global presence; bigger programmes; economies of scale; projection of ‘European (social) model’	Community action especially well placed to support institutional capacity-building as it is more neutral than action by member states with their own history and restrictions by specific legal systems

⁴³ *Revising the EU Development Policy: Issues and Options* by Simon Maxwell, Andrew Rogerson, Sven Grimm and Ralf Leiteritz. Overseas Development Institute, May 2004.

Comparing Development Policies

Policy objectives	Poverty reduction Country ownership Partnership approach Focus on gender equality Different support structure based on incidence of poverty	Reduction and eventual eradication of poverty by support for sustainable economic and social and environmental development, promotion of the gradual integration of the developing countries into the world economy and a determination to combat inequality Primacy of role of developing countries (ownership)
Implementation of poverty focus	Primary focus: LDCs Secondary focus: MICs Tertiary focus: rest of developing countries	Differentiation of needs between LDCs/LICs and MICs Coherence between country policies and EC support operations to be ensured by dialogue Importance of aid absorption capacity and good governance
Priority areas (for EC human resources)	Trade; regional integration and cooperation; macroeconomic policies, esp. health and education; transport; food security and rural development; institutional capacity-building, esp. good governance and the rule of law	Trade; regional integration and cooperation; support for macroeconomic policies and promotion of equitable access to social services; transport; food security and sustainable rural development; institutional capacity-building, esp. good governance and the rule of law
Cross-cutting or horizontal themes	Human rights; gender equality; environmental protection	Promotion of human rights; gender equality; children's rights; environmental protection; good governance; conflict prevention and crisis management
Other aspects of importance	Promotion of private sector development Humanitarian assistance, esp. in post-crisis situations or post-conflict countries	Communicable diseases Addressing the 'digital divide' Promotion of research in developing countries
Sectoral approach	Sector programming approach, e.g., use of budgetary aid; reference to CDF and PRSP	Sectoral programmes especially important for health and education
Administrative reform	Reunification of project cycle management; overhaul of programmatic approach through interdepartmental Quality Support Group; more devolution of project management to Delegations; Country Strategy Papers to become main instrument for guiding, managing and reviewing EC assistance programmes	Introduction of rolling programming in line with needs and performance of beneficiary countries welcomed Cotonou partnership seen as epitome of new approach to improve efficiency and effectiveness Refocusing of management committee tasks toward strategic aspects of cooperation to ensure streamlining of procedures
Impact assessment	Increased selectivity based on country performance in terms of policy reforms and outcomes; results-orientation for level of aid disbursement; proposed budgetisation of EDF	Transparent and responsible management of resources to be taken into account for distribution of aid Results-based approach needed, appraisal more to be taken into account for new programmes and projects
Follow-up	Annual Report on EC development assistance	Annual Report on EC development policy Commission to prepare action programme based on results

B. Country Case Studies

1. Selection of case studies

Our sample of case studies consists of 21 countries and two regions (Mercosur and Comesa). As can be seen in Table below, the countries chosen as case studies represent a broad scale of cases in terms of

- geographical situation (covering all regional programmes of the EU),
- income level (reflecting a crude indication of the country's own means to tackle poverty),
- the share of the EU in the ODA to the country (i.e. dependency on the Union and its Member States in the area of development assistance),
- the UNDP human development index (reflecting the ranking of the country with regard to human development),
- the Bertelsmann Transformation Index 2003 (i.e. measuring the relative successes and shortcomings in the management of economic policy/reform by partner countries),
- and the Freedom House Index (representing an indication of the political situation in the country, i.e. its openness to internal dialogue and potential for peaceful conflict settlement).

Country	Region	Income Group ⁴⁴	Share of ODA from the EU ⁴⁵	HDI (2004) ⁴⁶	Bertelsmann Management Index (BTI) 2003 ⁴⁷	Freedom House Index 2003 ⁴⁸
Afghanistan	ALA	LDC	2	n.a	D	NF
Albania	CARDS	LMIC	2	HM	B	PF
Argentina	ALA	UMIC	4	H	B	F
Bolivia	ALA	LMIC	2	LM	B	PF
Cameroon	ACP	OLIC	2	LM	D	NF
Egypt	MEDA	LMIC	2	LM	C	NF
Ethiopia	ACP	LDC	2	L	D	PF
Honduras	ALA	LMIC	3	LM	B	PF
Kyrgyzstan	TACIS	OLIC	2	LM	C	NF
Lebanon	MEDA	UMIC	n.a	HM	C	NF
Lesotho	ACP	LDC	2	L	n.a	F
Macedonia	CARDS	LMIC	3	HM	B	PF
Malawi	ACP	LDC	2	L	D	PF
Morocco	MEDA	LMIC	3	LM	B	PF
Mozambique	ACP	LDC	3	L	B	PF
Nicaragua	ALA	OLIC	2	LM	C	PF
Philippines	ALA	OLIC	1	HM	C	F
Senegal	ACP	LDC	2	L	B	F
Solomon Islands	ACP	LDC	n.a	LM	n.a	PF
South Africa	ACP	LMIC	3	LM	A	F
Suriname	ACP	LMIC	1	HM	n.a	F

⁴⁴ As defined in the World Development Report 2004: LDC= Least Developed Country; OLIC=Other Lower Income Country; LMIC=Lower Medium Income Country.

⁴⁵ Share of ODA from the European Union (EC and Member States) in the overall development assistance to the country, as indicated in the EU Donor Atlas: 1=0-24%; 2=25-50%; 3=50-75%; 4=75-100%.

⁴⁶ According to the Human Development Report 2004: L= Low Human Development (i.e. ranks 142-177); LM = Lower Medium Human Development (ranks 100-141); HM = Higher Medium Human Development (56-100); H = High Human Development (1-55).

⁴⁷ Cf. Bertelsmann Transformation Index 2003: A=good; B=quite good; C=poor; D=very poor. The grouping reflects a rough indication of the general ranking in the category of management of economic policy, which is one element of the transformation ranking (alongside the political situation). The groups A to D represent the relative position in the ranking table on economic policy management.

⁴⁸ F=free; PF=partly free; NF=not free.

ACP	= 9 countries	LDC	= 7 countries;
ALA	= 6 countries	OLIC	= 4 countries;
CARDS	= 2 countries;	LMIC	= 8 countries;
MEDA	= 3 countries;	UMIC	= 2 countries.
TACIS	= 1 country.		

The analysis picks up key elements of the DPS; each country study is based on the Country Strategy Paper (including the National Indicative Programme). Additional information in some cases was gained from including the respective Regional Strategy. Where available, evaluations of county strategies were included. For a number of cases, the Commission provided Mid-Term Reviews, some of which were still at draft status at the time of writing of this report.

In the case of the Asian case studies, our research is based on publicly available country documents and general internal Commission guidance documents for planning and reviewing. DG Relex explicitly asked the researchers to limit their interactions with delegations to the one in Afghanistan. Other delegations in that region were not available for comments. It has to be recalled that post-Taliban Afghanistan is a rather exceptional case in the region. The Delegation in Kabul transmitted their reply to our questionnaire through the Asia Directorate of DG Relex.

2. General findings

All findings of our case studies have to be qualified as results of a desk-based study. We do not aim at making a statement about the adequacy of the policy applied in the case study countries; this is not within the remit of our study. Our main concern in this section is the reach of the DPS or elements of it (its principles, objectives, focal sectors, etc.) into the planning level for the case study countries – and/or the DPS' reflection of priorities formulated on the ground.

Position of the DPS:

- Reference to the DPS in Country Strategy Papers is relatively frequent, but not given in all cases. The policy statement is explicitly referred to in all CSPs for ACP countries, in the MEDA cases, in our Latin American ALA case studies, and in the regional strategy paper for Asia.
- No explicit reference can be found on the country level in the Asian ALA countries Philippines and Afghanistan. The DPS is neither a reference document for the CSP for Kyrgyzstan (TACIS), nor in the cases of Albania or Macedonia (CARDS).
- When mentioned, the DPS sits within the number of documents relevant to cooperation. On the level of overall, global relevance, we find the EC Treaty and EBA (and the DPS); on the regional and national level, there is mention of special regional programmes (such as the CPA, ALA, or MEDA), partner countries' national programmes, etc.
- The distinction of the level of policy documents, however, is not always consequently made, i.e. treaty provisions are referred to both before and after explications of the DPS (if it is mentioned) or regional programmes.

Overall objectives and poverty focus:

- Overall objectives mostly refer to countries' PRSPs or governments' economic and social plans (across all regions). Poverty is a recognisable concern in the cooperation with all countries, including countries such as Kyrgyzstan (TACIS), Macedonia (CARDS), and the Philippines (ALA), where the DPS is not mentioned.
- Poverty reduction is, however, not the first priority in all case studies. This is particularly the case for Afghanistan, where the link between security and development is somewhat exemplified and in which context the DPS is not referred to. It might offer too few points of reference.
- Regional strategies appear to complement country strategies well. They emphasise different elements of EU cooperation as defined in the DPS than country strategies. Rather than arguing consistently along the lines of poverty reduction in a strict sense,

they for instance often establish the link between trade and development (e.g. the EPA discussion in the case of the ACP), and cross-regional infrastructure projects plus regional integration.

- The same is true for the general level of programming guidelines for national indicative programmes, such as the ALA guideline. On that level, i.e. *internal* guidelines for planning, reference is made in detail and explicitly to the major elements of the DPS.
- To *external* observers, however, the relevance of the DPS is communicated quite differently and can lead, at the extremes, to surprising responses such as one email to the researchers “DG Relex is not responsible for development policy, please contact DG Development”.

Ownership/Partnership and action-plan orientation:

- The picture is very diverse on the action orientation of planning. In the papers available, the EC mostly refers to objectives of the partner governments and the PRSPs, where applicable, and thus responds to the principle of ownership and partnership.
- Some CSPs – mostly in the respective NIP – offer elaborate indicators (Senegal being a good example in this respect), others point out that data for the partner country is hardly available and often inadequate (e.g. Malawi); others do not provide this category.

Comparative advantage:

- Comparative advantages – if the point is made – are argued on at both the level of instruments (funding in grants, policy dialogue/partnership), and on the level of past experience in the respective sector.
- In the case of Afghanistan, probably an example of good practice in this regard, the comparative advantage was argued for on the level of each area of EC intervention. The discussion of comparative advantages on the general level, however, was apparently not of relevance for actions in the field; no reference was made to the DPS.
- In the case of South Africa, a discussion paper cites structural policies of the EU as valuable experience, alongside the expertise in reforming economies within stable economic, social and political conditions.

Focal and non-focal sectors:

- Within the six focal sectors described in the DPS, the selection of focal sectors in the partner countries (naturally) varies. The variation does not always seem to be motivated by specific value added by the EC.
- The focal sectors of the DPS are to be found one way or the other in cooperation across the world, even when they are not always explicitly mentioned. The number of focal sectors, however, varies across our sample.
- In the case of the ACP countries, focal sectors of different EDFs vary and payments overlap between the different funds. Support for reform of the health sector, for instance, was a sector of concentration for the 7th and 8th EDF. Some of these commitments are only now being disbursed, thus need to be planned for and might contribute to the impression of a blurred focus in some ACP cases. Assistance for health reform therefore might be filed under the focal area ‘macro-economic assistance and equal access to social services’; it is, however, not initiated by the DPS.
- Transport is to be found often as a focal sector, as is ‘macro-economic support’. The latter, however, is very diverse in its application and includes sectors, such as health, in which many other donors are active (and which receives negative comments in evaluations).
- On the level of regional strategies, we observed some differences to the DPS in formulation of focal sectors, e.g. transport and communication in the case of the regional strategy paper for Southern Africa. This is a slight shift away from the defined focal areas, however justified the individual areas of EC expertise might be –

particularly so the creation of cross-border networks (also emphasised in ALA and CARDS).

- Within regional programmes, the focal sectors of e.g. TACIS and CARDS overlap with but are not identical to the DPS' six focal sectors.
- In various CSPs, we found a number of issues that are not emphasised in the DPS, e.g. natural disasters (Nicaragua), cultural heritage/cooperation (in the cases of the MEDA countries, Senegal, and integrated as cross-cutting issue in Cameroon), education (in Southern Africa), energy (Kyrgyzstan), and others.
- A number of issues reoccurred throughout our case studies, even though are given limited emphasis in the DPS. Three reoccurred in a particularly high number of cases: (i): conflict prevention and rehabilitation, at times including demining (e.g. Macedonia, Albania, Afghanistan, Philippines, Ethiopia) and (ii) HIV/AIDS (particularly so in Southern Africa, also in the case of Nicaragua) (iii) Water and energy - water is mentioned in many of the ACP cases, also mentioned in Bolivia. Energy is as focal sector e.g. in Kyrgyzstan. CSPs in some cases refer to the two respective EU initiatives at the WSSD in 2002.

Cross-cutting issues:

- Gender as cross-cutting issue is dealt with in different and often broad terms (if at all). Post-Taliban Afghanistan being in a unique position, its CSP dedicates at least 2% of all funds in the areas of cooperation to exclusively women's concerns/projects. Gender issues are also mentioned in the MEDA programming.
- Other issues, such as human rights and environment, are reoccurring features in the broad majority of CSPs. Environmental concerns are mentioned in various contexts: forestry, water and sanitation, agriculture, etc. The link to poverty reduction is hardly or not at all made in this context.
- Children's rights – mentioned in the DPS as of particular importance in the context of human rights – are not particularly referred to in the CSPs, with the exception of the Philippines (in the HR context), and Argentina (in the context of the country's crisis; in health sector). In other cases such as Senegal, no reference is made, even though the prevalence of street children in this case would offer ample opportunity to discuss the issue.
- Whether the cross-cutting issues are integrated into the planning documents as lip services or connected to serious engagement (in the form of political dialogue, adequate funding, political support, or other) cannot be determined in the framework of this study. Our impressions, accompanied by comments from evaluations, suggest a rather shallow level of 'mainstreaming'.

Three 'C's:

- In this sector again, mention is made on all the 3 'C's in all of our case studies. The handling of this section of the CSP varies, with e.g. Afghanistan being an example of good practice within our sample. Coordination is a rather detailed section and discusses various policy areas. Another case of quite elaborate endeavours to address issues of the three 'C's is the CSP for Bolivia.
- The quality of these statements, however, can not be fully assessed in a desk-based study. Our impression is little consistency in the EC's position; information on MS activities where mentioned appears to be general and incomplete.

General conclusions of the case study analysis

- Some regions (e.g. our two cases in Asia or the Balkans cases) do not explicitly refer to the DPS. Elements of the cooperation in these regions, however, fall into the remit of development cooperation and consequently reflect the principles and/or focal sectors of the DPS.
- This, however, does not establish a causal link of an impact of the DPS on country planning. The DPS might indeed have 'trickled down' to the country level (i.e. pro-actively given guidance to the country planning). It could, however, also have been conceptualised broadly enough so that its principles were applied in all cases.

- The DPS' thematic coverage is relatively weak in the field of security (not surprisingly most noticeable in the case of Afghanistan). The security-development nexus has gained attention particularly so after September 2001, hence after the establishment of the DPS in November 2000. The 'older' policy of conflict prevention reoccurs in a number of case studies in different regions, but not systematically.
- For the cross-cutting issues and the three 'C's, more in-depth analysis beyond a desk study would be necessary to collect enough evidence to make soundly informed statements about their application. The desk-based impression (and country knowledge of the researchers) on these issues, however, suggests a less favourable picture of any DPS impact.
- However, elements of the DPS can be found throughout the planning documents of our sample (CSP, RSP, guidelines for NIP, etc.). In this respect, the DPS reflects the state of the discussion of 2000 well and served its purpose as a broad strategic document.

3. Afghanistan

Evidence from the CSP (2003-2006), including NIP (2003-2004), NIP (2005-2006), with reference to the MTR

Positioning of DPS

The Bonn Agreement (2001) is given as framework for the cooperation mentioned and attached as an annex to the CSP/NIP. The Agreement is emphasising respect for human rights (in particular women), fair treatment of minorities and tackling drug production and trafficking. Reference is made to GAERC agreements of Dec. 2001, April, July and Dec 2002. No formal reference is made to treaty provisions; neither the DPS nor ALA regulations are mentioned.

Overall Objective as stated in the CSP

Several objectives are mentioned, as following the Council decisions:

- Promote the Bonn Agreement and implementation by all groups,
- Restore stability (crisis prevention),
- Support for civil, social and military structures and services and aid (for all in need, particularly so refugees),
- Promote democracy and functioning of public admin, thus promote human rights,
- Special attention to inclusion of women,
- Insist on effective and comprehensive macro-economic and monetary framework to ensure sustainable economic development and effective use of donor funding (repeat: special attention to women),
- Reinforce fight against illegal drugs and terrorism,
- Cooperation with neighbouring countries.

The MTR mentions as overall goals: "to promote stability and reduce poverty in Afghanistan".

Overall poverty goal: Security issues dominate the agenda, which focuses on basic reconstruction. Immediate aid for people in need (emergency assistance), particularly refugees, is emphasised – and the inclusion of women. Poverty reduction is not argued for as the immediate core of the CSP, given the particular post-war situation of Afghanistan (The MTR emphasises deteriorations of the security situations and increasing attacks on aid workers). Alongside security, drug production will be seen as 'a critical issue' in Afghanistan (MTR). However, the issue of poverty is analysed in the section 'Social and Economic Situation' and re-appears throughout the CSP as a goal of EC policy. The gender gap is particularly emphasised in the context of poverty.

Principles of Ownership/ Partnership

Throughout the CSP and the NIP, emphasis is given to the role of the Afghanistan Transitional Authority (ATA). The initial planning of policies by the ATA in the National Development Framework (NDF) is presented as the main reference point of donor engagement. The framework has three pillars: (i) human capital and social protection, (ii) physical infrastructure, and (iii) trade and investment, public administration and security.

Reliance on NGOs and the UN is notified, but the role of the ATA is seen as strengthened and thus more of a partner.

Action programme based on results

The CSP gives indicators for achievements of cooperation post-September 11. The Bonn Agreement provided for benchmarking in five key domains: security, administration, judicial, financial and socio-economic. The benchmarks are setup jointly between the ATA and donors: "Care will be taken to limit the number of development benchmarks (ensuring the targets are feasible)". The MTR names indicators for all sectors of engagement and includes a paragraph in coordination in the respective sector and impact on cross-cutting issues. Special mention is made of humanitarian assistance as unconditional and provided on the basis of needs.

Comparative advantages/Added value

Comparative advantages/added value are relatively carefully argued for each sector of intervention (taking into account the length of the CSP). In the sector of health, the EC has 'long-standing experience with the largest NGOs players in this sector'. In infrastructure, roads need large investments, not covered by IFI. For public reform, the EC claims 'long tradition of support for this area'. "Direct private sector support is not however an area of comparative advantage for the EC"; other axis of support are identified for this sector. Cooperation with ECHO is seen as crucial (MTR) – particular mention is made of the necessity to link relief, rehabilitation and development (cf. communication on LRRD, 2001).

Three 'C's

The Afghan Transitional Authority demands from donors to concentrate on three sectors each and give at least 50% funding for one sector among them.

Coherence: Stated coherence between the 5 areas of intervention and EU policies. Particular attention to coherence with the EC Development Policy COM (2000) 212 final. The section is relatively extensive in comparison to other CSPs. Donor alignment around the country's planning is emphasised. *Co-ordination and complementarity:* Coordination (under the complementarity heading) between EU and MS in most of the thematic sectors and at various levels. No overlapping has been identified (!). However, strengthened coordination required. Coordination with other donors ensured through the Consultative Group Meeting and hoc-thematic groups. Mention is made of efforts to develop a 'portfolio of 'EU wide' programmes'; coordination with Member States reaches the level of co-financing. Support for the election preparation "would be funded by the EIDHR".

Focal and non-focal sectors of cooperation

DPS Focal sectors		CSP
1.Trade and development		
2.Regional Integration	NF	Cross-cutting issue, incl. on refugees (€ 10m)
3.Macroeconomic policies – <i>Equitable access to social services</i>	F	Health: € 25m; in the NDF described as one of five elements, needs to put in place basic services, partly support for clinics by ECHO. Health as one priority sector, particular mention of the access for women to health services.
4.Transport	F	Over € 90m earmarked; roads are seen as key priority (cf. pillar 2 of the NDF). Priority on ' economic infrastructure '.
5.Food security and rural development	F	Over € 100m earmarked, Priority sector ' rural recovery and food security '.
6.Institutional Capacity Building, including good governance & rule of law	F	€ 15m earmarked, complemented by finance for Afghan. Trust Funds (e.g. WB), for which € 80m are planned. Priority: public administrative reform and support for the budget (incl. the police) .

DPS Horizontal aspects	CSP
1.Human Rights	Emphasised, particularly with regard to women. 2% of overall amount of the CSP devoted to specific women's projects. Mainstreamed through a Gender Advisory group of donors (MTR).
2.Gender equality	
3. Children's rights	(girls are particularly mentioned in the context of gender issues)
4.Environment	Mentioned in the MTR in the context of infrastructure/road construction

Others, not emphasis in DPS:	F	<ul style="list-style-type: none"> - Demining (€ 20m); Civil society support (€ 14m); - Return of refugees (€ 10m), - Tackling poppy production (€ 10m), drug production has drastically increased throughout 2003 (as notes the MTR).
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4. Albania

Evidence from the CSP (2001), Western Balkans RSP (2001), the Western Balkans evaluation (2004), Draft Multiannual indicative programme 2005-2006, and the 2004 SAP report – Meeting with desk officer

Positioning of DPS in CSP

Framework for cooperation mentioned: European Partnership (Council Regulation (EC) No. 533/2004), CARDS (Council Regulation (EC) 2666/2000), Stabilisation Association Process COM (99) 235. Western Balkans RSP also applies.

Since 2001, the European Partnership has been approved (EU Council Regulation (EC) No. 533/2004) and the negotiations for a Stabilisation and Association Agreement between the EU and Albania have been launched and are presently ongoing.

Overall Objective as stated in CSP

The purpose of the CSP is to assist Albania in achieving significant socio-economic progress and gradual integration into EU structure through the Stabilisation and Association process. The CSP is integration driven and the EC supports essential areas for socio-economic development and takes account of the perspective of the negotiation of a Stabilisation and Association Agreement with Albania. RSP aims to support the implementation of the Stabilisation and Association Process (SAP) which is “the centrepiece of the EU’s policy towards the region”. **Overall poverty goal:** The country analysis’ paragraphs on the social development and the process of reforms give figures on the human development of Albania and explore the poverty level in the country. Achieving a process of self-sustained economic development, from which the poorest layers of the society would also benefit, is identified as a major challenge for Albania. Poverty reduction is an important point in the EC Response Strategy with conflict prevention and after serving the direct policy goals of the SAP. RSP also mentions poverty reduction as the “critical objective underpinning all EC support”. The priorities targeted under CARDS also serve that objective.

Ownership/Partnership

The Government adopted in 2001 its Policy Agenda for socio-economic development. The priorities of the CSP have been duly discussed with the Albanian government and are in line with the strategic approaches of the Albanian Government in its way for further EU integration in the future. Discussion with all actors involved also takes place at all phases of the project cycle for the RSP.

‘Action programme based on results’:

Indicators of achievement are mentioned in the Multiannual Indicative Programme.

Focal and non-focal areas of engagement

The objectives of the SAP and the EC CARDS programme assist Albania on five main priority sectors: administrative capacity building, democracy stabilisation, economic and social development, justice and home affairs, and the environmental and natural resources. The MIP 2005-2006 has kept these five areas but has regrouped them into three headings.

DPS focal sectors		Albania		RSP
1. Trade and development	F	Trade component in the <i>economic and social development sector</i>	/	
2. Regional integration and cooperation	NF		F	Support regional cooperation through the four identified focal sectors
2. Macro-	NF			

economic policies				
4. Transport	/		F	<i>Regional infrastructure</i> Regional infrastructure development and air traffic control
5. Food security and sustainable rural development	/		/	
6. Institutional capacity building, incl. good governance & rule of law	F	<i>Administrative capacity building: public procurement, competition and state aids, customs, taxation, statistics</i>	F	<i>Institution building</i> Institution building for the Sap, regional police and judicial cooperation, regional statistic cooperation, European networks for sustainable development
NSAs	F	- Included through <i>Support to democratic stabilisation</i>	F	- Included through <i>Support to democratic stabilisation</i>

DPS Horizontal aspects				
Human rights	NF	- Mentioned and included through <i>Democracy and stabilisation</i> - MIP 2005-6 : mentioned throughout the MIP - Benefiting from EIDHR	F	- Mentioned and included through <i>Democratic stabilisation</i>
Gender equality	CC	- MIP 2005-6 : mentioned in the <i>Justice and home affairs</i> section - According to evaluation, not mainstreamed	/	- According to the evaluation, not mainstreamed
Children's rights	/		/	
Environment	NF	<i>Environment, natural resources</i> - Environment related projects defined but not yet contracted according to evaluation.		

Others, no emphasis in DPS	F	Education project as a component of " <i>Economic and social development</i> "
	F	<i>Justice and Home affairs</i>
RSP	F	<i>Integrated border management</i>
	F	<i>Democratic stabilisation</i> – Component focusing on development of the media and refugee return.

% = Percentage of indicative programme

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

3 Cs

Coherence with other EU policies: EC policies will be invariably taken as the reference against which the EC assistance objectives are defined and achievements measured. Coherence with CARDS regional programmes and INTERREG programme with Greece and Italy is also assessed in the CSP. *Complementarity with the EU Member States and other donors:* CARDS resources requires there to be a clear complementarity with the actions of other donors (IMF and World Bank), co-operation with MS. The EC considers it enjoys a comparative advantage in the institution building process and the creation of an appropriate legal framework. Complementarity between the different financial instruments is also mentioned in RSP. *Coordination:* Different mechanisms already in place to enforce coordination between donors are described in the CSP and RSP.

Evaluation findings:

Albania has the lowest implementation rate of all SAP countries. Weakness of CARDS: lack of proper legal framework regulating the overall management of EU affairs in Albania. Weak involvement of EC in PRSP process and no determination of the World Bank role to the SAP. Implementation rate of RSP also low. All beneficiaries discontent with RSP because of lack of relevance, transparency and involvement of local counterparts and overlap with national programmes. No mainstreaming of gender as a cross-cutting issue. Ethnicity should also be mainstreamed.

Evaluation made following recommendations: (i) CARDS design and relevance should be improved, among which decentralise CARDS to improve ownership and effectiveness, (ii) improve CARDS policy management and implementation, among which coordination with other donors and (iii) increase CARDS relevance and effectiveness at sectoral level among which improve mainstreaming especially in gender and ethnicity.

5. Argentina

Evidence from Latin America RSP-LA, Argentina CSP (2002-2006) and MTR⁴⁹ (2004)
[see also Mercosur RSP]

Positioning of DPS

Framework for cooperation mentioned: TEC Art. 177, ALA regulation (1992); EU communications on LA, Rio Summit (1999); RSP-LA (2002-06) and EU-Mercosur Interregional Framework Cooperation Agreement (1995). DPS is mentioned in CSP and MTR in general terms.

Overall Objective

As stated in the MTR, the overall objective is to make “a contribution to the new government’s efforts to ease the social crisis, but without forgetting the need for TRTA and capacity-building in relation to EU-Mercosur” Association Agreement (AA) negotiations. In the original CSP, more focus was put on economic cooperation (2/3 of programme), but as a result of the severe economic crisis, the focus on social aspects was increased. **Overall poverty goal:** It is mentioned, but it is not clearly the overriding objective in RSP-LA; poverty reduction is seen in terms of social cohesion, focused on reducing inequality. The MTR includes fairly deep social analysis, noting rise in poverty and indigence, unemployment, as well as education and health issues are studied. Some analysis also of gender (women suffer more from greater poverty), regional disparities and environmental issues. Fight against poverty is one of EC’s 3 main programmes in progress.

Ownership/Partnership

MTR based on consultations and agreement between EC mission and Argentine government in 2003. MTR notes that one lesson of past experience is the need to strengthen counterparts, particularly at the local level. This is also one result of new financial regulation and the elimination of management units, increasing Argentina’s responsibility. Argentina co-financed (50%) projects up to recently, but this will be reviewed given the current situation.

‘Action programme based on results’

EC response strategy to Argentine crisis based on “policy mix”, including exceptional emergency assistance, increasing TRTA, improving quotas for meat imports, etc.

Comparative Advantages/Added Value

The “policy mix” approach to the crisis is seen as advantage.

Three ‘C’s

Coherence: MTR notes that although EC supports Argentine export promotion, it must also comply with EC standards. **Complementarity and Coordination:** regular discussions between EC and MS in the field, established a data base of EU projects. During the first period of the crisis, certain coordination achieved, but aid is relatively low. More difficulties are encountered in coordinating stances in international financial institutions.

Focal and non-focal areas of engagement

Financial Indicative Amount: MTR (2004-06): 65.7 million euro.

⁴⁹ This is the only MTR available to date for Latin American countries on the EC’s website; others have been carried out but are not publicly available.

DPS focal sectors	CSP	
1. Trade and development	F	TRTA (€ 4.7m)
2. Regional integration and cooperation	F	Facilitation of EU-Mercosur Association Agreement (€ 5m)
3. Macro-economic policies - <i>Equitable access to social services</i>	F	Fight against poverty and social exclusion (€ 33.4m) with special focus on health, education
4. Transport		
5. Food security and sustainable rural development		
6. Institutional capacity building, incl. good governance & rule of law	F	Improving trust in justice system

DPS Horizontal aspects	CSP	
Human rights	F	Covered in the justice-related programme
Gender equality		Addressed in the social analysis
Children's rights	F	Covered in health-related programmes
Environment		

*Percentage of indicative programme.

F = focal sector; NF = non-focal sector

6. Bolivia

Evidence from Latin America RSP-LA, RSP-Andean Community/CAN and Bolivia CSP (2004)

Positioning of DPS

Framework for cooperation mentioned: TEC Art. 177, RSP-LA (2002-06), ALA regulation (1992), various EC policy communications on LA; Rio Summit (1999); etc. DPS is mentioned in both documents, as well as in RSP-CAN with relation to integration focal area. CSP pays particular attention to DPS throughout the text. Most notably, Logical Framework included in annex is linked quite closely to the main principles of DPS (poverty reduction, ownership, focal areas...).

Overall Objective: as stated in CSP

The overall goal is to “promote economic and human well-being through a reduction in poverty, inequity and social exclusion within the general framework of the Rio Summit objectives”. Three priority areas are: (i) improved access to services and sustainable livelihoods (includes food security); (ii) economic regeneration; and (iii) regional integration and co-operation; these correspond with 3 of the DPS’s focal areas. **Overall poverty goal:** In RSP-LA, poverty reduction is seen in terms of social cohesion, focused on reducing inequality. RSP-CAN does not refer to it; only mentions inequality, unemployment problems in its regional profile. CSP notes that Bolivia is the poorest country in LA, over 60% of the population live below the poverty line. CSP puts major emphasis on poverty reduction (with fairly detailed analysis, noting ethnic and gender related poverty issues) – which is one of two “strategic directions”—, in line with government’s strategies. Bolivia is a HIPC country and has developed a national Poverty Reduction Strategy (2001).

Ownership/Partnership

CSP notes EC’s comprehensive framework is consistent with Bolivian government’s policies, as noted in its PRSP. CSP is mostly based on Memorandum of Understanding between EC and Bolivia, included in the CSP annex. Work programme in CSP makes specific reference to Bolivia’s PRSP.

Action programme based on results

Based closely on PRSP, which provides indicators for analysing progress. Specific objectives cited are taken largely from DPS.

Comparative Advantages/Added Value

In RSP-CAN, EC is virtually the only donor working on regional integration; this is seen as its central advantage. In the CSP efforts were made to carve out specific sectors in which EC could provide added value. For instance, in the social area, water and sanitation was chosen since this was insufficiently covered by other donors.

Three 'C's

Coherence with other EU policies: RSP-CAN notes EU policies are broadly coherent, except for the “banana conflict”, as well as problems with phytosanitary requirements for imports into the EU. CSP reviews coherence issues related to environment, illegal drugs, trade and conflict prevention, citing challenges and some initiatives to overcome incoherencies. *Complementarity:* It is difficult to find complementarity for the Andean region, since other EU donors have no regional strategy. The CSP contains a proposal for intra-EU co-ordination, suggesting ways to divide tasks and identify areas where common goals exist. *Co-ordination:* There are limited possibilities for co-ordination at the Andean level. In the CSP, it is noted that the Bolivian government has the lead role in ensuring coordination, while the Delegation works to improve intra-EU coordination. In fact, the CSP includes a specific annex with a proposal for this, using as its main reference the DPS. Moreover it is suggested that coordination focus on the cross-sectoral themes included in the DPS, as well as areas more specific to Bolivian reality, such as the rights of indigenous peoples and corruption. Lead donors among the EU donors present were selected for mainstreaming issues.

Focal and non-focal areas of engagement

Financial Indicative Amount: Andes: 21-29 million euro (2002-06); Bolivia: 126 million (2000-2006)

DPS focal sectors	RSP-CAN*		CSP	
1. Trade and development	F	International projection/TRTA (5%)	F	Trade and investment promotion (5%)
2. Regional integration and cooperation	F	Andean common market/ Statistics (15%)		(see Regional physical infrastructure below)
3. Macro-economic policies - <i>Equitable access to social services</i>			F	Improved access to services and sustainable livelihoods/water and sanitation (35%)
4. Transport	F	Air safety (35%)	F	Regional physical infrastructure (45%)
5. Food security and sustainable rural development			F	Alternative development (15%)
6. Institutional capacity building, incl. good governance & rule of law	F	Andean civil society (15%)		

DPS Horizontal aspects	CSP	
Human rights	F	Particularly indigenous peoples
Gender equality		Through EIDHR
Children's rights		Through NGO co-financing
Environment		Through NGO co-financing

Others, no emphasis in DPS	F	Economic regeneration (CSP)
	F	Andean peace zone (RSP-CAN)
	F	Fight against illegal drugs (RSP-CAN)

F = focal sector; NF = non-focal sector

*Percentage of indicative programme.

7. Cameroon

Evidence from the CSP (2001), Central Africa RSP (2002), the Joint Annual Report 2003 and Draft MTR Conclusions (2004)

Positioning of DPS

Framework for cooperation mentioned in CSP (signed in 07/2001 – A envelope: € 159m, B envelope: € 71m): TEC Art. 177, CPA (2000), DPS (2000), TEC on coordination, coherence and cross-cutting issues (art. 20). Central Africa RSP also applies. The DPS is explicitly referred to in the CSP in the section 1 on the general framework of EC cooperation (p. 3) and “EC Cooperation general objectives” are cited as one of the 4 criteria for the choice of focal sectors.

Overall Objective as stated in CSP

Overall objective of CSP is contributing to helping Cameroon in the implementation of the second generation of economic and structural reforms and sectoral policies linked to poverty reduction. The Central Africa RSP has as overall aim: to support the implementation of poverty reduction policies and the insertion of the region in global economy. **Overall poverty goal:** Poverty reduction is the overarching goal of the CSP through the support to the implementation of the PRSP. The Central Africa RSP also aims to achieve poverty reduction.

Ownership/Partnership

Reference is made to Cameroon I-PRSP in CSP. EC cooperation strategy with Cameroon is based on the I-PRSP. Reference is also made to PRSP in the MTR.

‘Action programme based on results’

Result and impact indicators to be followed up in annual reviews partly defined in the annexes of the CSP. Meant to be modified when PRSP finalised.

Comparative Advantages/Added Value

Added value mentioned as one of the 5 criteria for the choice of focal sectors: volume of aid, complementarity with on-going activities, building on past experience.

Three ‘C’s

Coherence is been understood and explained as coherence with other financial instruments i.e. RSP. The RSP refers to the political dialogue with partner countries and explicitly mentions fisheries policy.

Focal and non-focal areas of engagement

DPS focal sectors	CSP		RSP	
1. Trade and development 2. Regional integration and cooperation	NF	Possibility of <i>financing capacity building and definition and implementation of a national strategy for regional integration</i> to better prepare for the EPA according to MTR. Financing Cameroon–Nigeria mixed Commission according to MTR	F	Regional integration and trade (EPAs),
3. Macro-economic policies - <i>Equitable access to social services</i>	F 30%	Macro-economic and institutional support to the implementation of I-PRSP - EC meant to contribute to following objectives: (i) improving quality of public finance management, (ii) implementing health sector policy, (iii) improving environment protection and sustainable management of forestry resources through budget support - MTR draft suggests: budget support is no longer adequate in the case of Cameroon; suggests an end to it. - HIV/AIDS partly integrated in focal sector according to evaluation		

4. Transport	F 60%	Transport - Interventions in the road sector and the rehabilitation of structuring regional network., i.e. Regional integration perspective in that sector - MTR: Sector remains but change in EC financed activities	F	Transport and telecommunications
5. Food security and sustainable rural development				
6. Institutional capacity building, including good governance & rule of law	F	Part of the Macro-economic and institutional support to the implementation of I-PRSP - MTR: institutional support should be reinforced		
Involvement of NSA	NF 5,5%	- MTR: Project related to structuring civil society identified, NSAs not integrated into dialogue with Government		

DPS Horizontal aspects	CSP		RSP	
Human rights (including Children's rights)	NF	- Project related to human rights		
Gender equality	CC	MTR: should be better integrated into road projects, integrated in health, human rights and rural development projects	CC	Supposed to be taken into account throughout the implementation of the NIP
Environment	NF	MTR: taken into account into transport sector; integrated in tenders, environmental studies, specific environmental actions in case of big projects - Different environment projects financed through budget lines, previous EDF and Stabex	F	<i>Sustainable management of natural resources</i> - Supposed to be taken into account throughout the implementation of the NIP as a CC
Conflict prevention...			NF	<i>Creating a conflict prevention mechanism</i>

Others, no emphasis in DPS		
	NF	Observation of electoral process
	CC	Safety and archaeological patrimony protection Integrated into road projects according to MTR conclusions
	New initiatives	Mentioned in MTR: Water and energy initiatives, Education for all, FLEGT/AFLEG, Heath, Migration and development cooperation mentioned

% = Percentage of indicative programme

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

Other financing sources

Budget lines: supporting the banana sector, EIDHR, NGO co-financing, Research, environment and tropical forests.

MTR recommendations

MTR draft stated Cameroon's sectoral and financial performances were weak without being justified by special considerations and recommended the decrease of envelopes A (minus € 37m) and B. Strategy should be revised: (i) Suppression of budget support, (ii) Strengthening institutional support (public finance programming and management), (iii) Road sector programme remains as first focal sector but change of strategy : only rehabilitation would be financed, (v) suggests adding financing Nigeria-Cameroon mixed Commission to non focal sectors.

8. Egypt

Evidence from the CSP, NIP (2002-2004), MEDA RSP, (2002-2006), Evaluation and Motion of Understanding

Positioning of DPS

Framework for cooperation mentioned: Barcelona Process, Marseille, MEDA RSP (2002-06). DPS is mentioned in CSP, NIP and RSP, and deeply assimilated as a very determinant factor. Guides cooperation activities in Egypt, through almost all the focal areas and main priorities: Maintaining social and political stability; Increasing employment and completing the process of economic transition; and Consolidating its external relationships with Europe. Egypt is of geostrategic importance to the EU as it is a major regional power, pivot of three main areas: African, Arab and Euro-Mediterranean.

Overall Objective as stated in CSP

In the RSP, the Community programme is "intended to support the process of EU-Egypt Association Agreement of 2001". The CSP does cite an overall objective (poverty alleviation); and 2 CSP main focal areas: promoting the EU-Egypt Association Agreement of 2001, Supporting the consolidation and completion of the economic reform process, supporting stable, balanced and sustainable socio-economic development. **Overall poverty goal:** It appears as one of the overriding objectives together with the Association Agreement objectives. In MEDA, poverty reduction is just mentioned in terms of social cohesion, focused on reducing inequality, but the overarching objective is fostering integration. CSP does stress this goal. In the CSP, country analysis on the social situation gives figures on the human development of Egypt and overall poverty levels, through a Social Fund for Development of 155 million euros.

Ownership/Partnership

Reference is made in the CSP to Egypt's short and long- run National Development Plans. In MEDA, ownership of regional cooperation by the partners is addressed both in programming and implementation stages. Partners are involved at the programming stage through the Barcelona Committee and the Euro-Med. Subsidiarity implies ownership. The preparation of the CSP has drawn heavily on discussion with the Egyptian government, EU MS, and other donors. The Egyptian government launched a Consultative Group Meeting with all donors for its short run national development plan and the Social Development Fund for donor funded social programming.

Action programme based on results

Not very detailed in general. CSP identifies performance indicators in the respective areas, but does not name sources for verification. It does not establish hypothesis but does cite conditions for effective results, many having to do with legislative reforms.

Comparative Advantages/Added Value

- European approach to economic and social reform
- Consistent with the policy mix
- Common to the EU cooperation and response strategy of other donors
- Ensures poverty reduction (DPS), taking into account main DPS guidelines
- Coherent with national policies
- Democracy clause in the Memorandum of Agreement and political dialogue in CSP
- Environmental mainstreaming- impact assessments

3 'C's in CPS and MEDA

Coherence with other EU policies: RSP-MEDA mentions a large number of policy frameworks-- and highlights three: Barcelona Process, DPS, Marseilles, EU Initiative on Sustainable Development, Council Conclusions of Environment. CSP mentions coherence with EU policies on trade, transport, and migration without further details. In MEDA: EC support remains coherent with both the actions of national governments and the international community. The strategy takes into account defining priorities of the EC Development Policy (DPS)- mainly poverty alleviation, trade and the single market, environmental support,

gender, education, and employment. In CSP, coherent with Egypt National Development Plan and other donors strategies.

Coordination with other donors: *In MEDA, EC Coordinating role through: Foreign Ministers Conference; Guidance on strategic orientations, same logic modus operandi applies; Regional strategy is coordinated with bilateral efforts; and on-the-spot coordination and cooperation with EU MS. In CSP, Consultative Group Meeting with all donors and Social Development Fund with all donors involved.*

Complementarity with other donors: *In CSP, complementary with other major donors actions in the country, complements MS actions in Egypt, especially in MEDA programmes, in particular, in terms of poverty alleviation and Joint sector funding with USAID, WB, etc.*

Focal and non-focal areas of engagement

NIP 2002-2004 (351 million euros; Main objectives:

- 1. Promote effective implementation of the EU-Egypt association agreement*
- 2. Support process of economic reform and transition*
- 3. Support stability through balanced and suitable socio-economic development*

Coherent with CSP and EU-Egyptian cooperation priorities

Seven programme areas are proposed in 3 areas: EIB interest subsidy; technical and vocational training reform; and trade enhancement programme.

DPS focal sectors	RSP-MEDA		CSP, NIP	
1. Trade and development	F	Euro-Med free trade policy	F	Association Agreement with Egypt includes comprehensive restructuring of sensitive sectors and institution-building.
2. Regional integration and cooperation	F	South-South Integration Agreements	F	Agadir Association Agreement
3. Macro-economic policies - <i>Equitable access to social services</i>	F	Support for economic reform through Sustainability of Euro-Med Association.	F	Socioeconomic development actions: Modernisation Programme, Financial Sector Reform, Investment in Education, Health Sector, Innovation Culture.
4. Transport	F	Regional Infrastructure Integration (EIB)	N F	
5. Food security and sustainable rural development	NF		F	NIP: Integrated development of Sinai (65 million euros)
6. Institutional capacity building, incl. good governance & rule of law	F	Rule of Law and HR; consolidation of regional institutions	F	NIP: Support civil society and assisting the government in privatisation (80 million euros- main project)

DPS Horizontal aspects	RSP-MEDA		CSP, NIP	
Human rights	F	coherent with the Europe. Initiative on Human Rights	F	Mentioned but without actions
Gender equality	F	Includes promotion of women in promoting sustainable development	NF	
Children's rights				In the NIP Sinai project and in the CSP socioeconomic development priority
Environment	F	Integrated strategy for sustainable development	F	

Others, no emphasis in DPS	NF	Cultural Heritage, TEMPUS		
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F = focal sector; NF = non-focal sector

Problems Identified in the Evaluation:

- No institution building nor rule of law, nor human rights cooperation
- Poor absorption capacity of the government results in low disbursements.

- Limited outcomes due to underestimation of politically sensitive aspects of socioeconomic reform: EC should support implementation of the Agreement in all its dimensions: economic, social, political, and cultural.
- Very little explicit mention of stability and democratisation, peace, security, and conflict prevention. EC should address EU strategic goals of democracy and human rights.
- EC support for strengthening Egypt's role in regional cooperation has been inadequate.
- Overall impact of programs in education, health and industry have been limited by slow pace of reform by the government.
- Dialogue and partnership with stakeholders has improved. However, EC should improve process of consultation with the government and other stakeholders.
- Large technical assistance programmes led to problems of ownership.
- EC should facilitate the formulation and funding of measures to overcome negative impacts of association agreement.
- EC assistance is likely to decline over the next decade so it should be focused on the formulation of policy reform measures.

Comparative advantages of the EU:

- Most significant catalyst for reform in Egypt and could provide the main axis for EC to focus its strategy of assistance
- EC cooperation centred around creation of an area of shared prosperity:
 - Economic reform measures produced weak outcomes. Main achievement has been the EU-Egypt association agreement
 - Socio-economic balance strategy has been positive but not clearly defined in the three EC strategies. Never been clearly targeted or their impact on reducing poverty effectively monitored.
 - Support to mitigate negative impacts of reform was reoriented and had some success reducing social instability generating employment, not in terms of targeting the poor.
- European approach to economic and social reform
- Consistent with the policy mix
- Common to the EU cooperation and response strategy of other donors
- Ensures poverty reduction (DPS), taking into account main DPS guidelines
- Coherent with national policies
- Environmental mainstreaming- impact assessments

9. Ethiopia

Evidence from the CSP (2002), Region of Eastern and Southern Africa and the Indian Ocean RSP (2002), the Ethiopia Evaluation (2004), the Joint Annual Report 2003 and the MTR Conclusions (2004)

Positioning of DPS

Framework for cooperation mentioned in CSP (signed in 02/2002 – A envelope: € 384m, B envelope: € 154m): TEC Art. 177, CPA (2000), DPS (2000), TEC on coordination, coherence and cross-cutting issues (Art. 20). EBA initiative (Ethiopia is an LDC) and E&SA RSPs (Region of Eastern and Southern Africa and the Indian Ocean, 2002) also apply. The DPS is explicitly referred to in CSP in the executive summary and the EC co-operation objectives (p.2). There is an indirect reference in section 5.1 through the need for increased concentration. In the E&SA RSP, the DPS is also mentioned in the section on objectives, and explicitly referred to as the basis for action in the focal sectors Economic integration and trade and Transport and communications (p.22-3).

Overall Objective as stated in CSP

Overall objective is reduction and eventual eradication of poverty by removing structural constraints in sectors that are key to future development. The E&SA RSP has as overall aim: to increase economic growth and reduce poverty through higher levels of regional economic

integration. **Overall poverty goal:** Poverty reduction is the overarching goal of the CSP. The E&SA RSP also aims at achieving poverty reduction through export-led economic growth through economic liberalisation.

Ownership/Partnership

Reference is made to the Ethiopian I-PRSP to determine EC support to Ethiopia. I-PRSP consist of four building blocks: agriculture development led industrialisation, judiciary and civil service reform, decentralisation and empowerment, capacity building in public and private sectors. CSP is meant to be adapted according to PRSP. According to evaluation, EC support to Ethiopia based on areas which are of high priority to Ethiopian government.

'Action programme based on results'

Performance indicators to be followed defined in annexes. No targets defined.

Comparative Advantages/Added Value

CSP claims that EC comparative advantage is one of the criteria to determine EC support to Ethiopia.

Three 'C's

According to CSP active co-ordination and harmonization role played by the EC delegation. Coherence between development policy and other EC policies meant to be assessed during project or programme identification and appraisal. Preparation of coherent trade policy framework could be supported through RSP. Coherence ensured through inclusion of CPA essential elements at different levels in CSP. According to evaluation: complementarity and coherence with other donors programmes ensured in focal sectors. No mechanisms in place for non-focal sectors.

Focal and non-focal areas of engagement

Acknowledgement of need to reduce focal sectors in CSP: although EC has acquired experience in education, private sector, they are not included in the 9th CSP.

DPS focal sectors	CSP		RSP	
1. Trade and development			F	<i>Achieve poverty reduction though higher levels of economic growth through economic liberalisation at regional level (EPAs)</i>
2. Regional integration and cooperation				
3. Macro-economic policies - <i>Equitable access to social services</i>	F 25%	Macroeconomic stability and economic reform: Particular emphasis on ensuring equitable access to social services Strong EC experience in that sector, quick disbursing character of past programmes valuable to government although there were some shortcomings (CSP); evaluation recommended an increase share of budget support		
4. Transport	F 55%	Highest priority for the Ethiopian government: rehabilitation of roads, supporting the management of road policy and implementation of transport policies; CSP claims strong EC experience in that sector; Evaluation: review of the portfolio in transport sector and a more proactive role in coordination for the Delegation recommended	F	Transport & Communications <i>Contribute to economic development and integration into the World economy (as in TEC) and poverty reduction by reducing transport costs for goods.</i>
5. Food security and sustainable rural development	F 14%	Strong EC experience and added value in the food security sector because of availability of resources and instruments (9 th EDF + budget line) and possibility to develop a flexible response strategy; Evaluation: intensify policy dialogue, revise implementation modalities, improve coherence with other programmes and other donors and monitoring		

6. Institutional capacity building, including good governance & rule of law	F	- Capacity building in economic reform and integration is included in macro-economic policies (5% of A envelope): preparing the country for WTO membership and EPA negotiations, support to private sector representatives, public finance management. - Evaluation recommended to change the strategy for private sector development and to make a strategic choice for a specific sub-area under capacity building for governance and civil sector for judicial/legal reform.	N F	<i>Capacity-building</i>
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DPS Horizontal aspects	CSP		RSP	
Human rights (including Children's rights)	CC	- Human Rights mentioned in NF sectors but not specified		
Gender equality	CC	Gender and women's development mentioned in NF sectors but not specified; Evaluation: not mainstreamed. MTR states that indicators for macro economic support will be gender based in the future	CC	
Environment	CC	Evaluation: Partly integrated in focal sectors; MTR: to be addressed in transport sector	F	Management of natural resources
Conflict prevention...	NF	Evaluation: Not mainstreamed	NF	<i>Peace & Security/ conflict prevention</i>

Others, no emphasis in DPS	NF	Development of media and trade unions
	CC	HIV/AIDS partly integrated in focal sectors according to evaluation
	NF	Higher Education and Culture
New initiatives	Mentioned in MTRCs: Health, conflict prevention and fight against terrorism, water, energy, migration, information and communication technology, polio eradication	

% = Percentage of indicative programme

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

Other financing sources

Budget lines: NGO food security and food aid programme, NGO co-financing, environment and tropical forests, HIV/AIDS, landmine action. Ethiopia selected as focus country for 2002-2004 support from EIDHR. Short term involvement of ECHO.

Evaluation findings and recommendations

Country strategy evaluation (2004) found that the right choice of focal sectors had been made. Focal sectors are based on areas which are of high priority to the Ethiopian government and in which the EC has identified its added value, fair degree of complementarity with other donors' programmes. Weaknesses identified: rationale for choosing focal sectors insufficiently explained, too ambitious and trying to incorporate too many themes, inadequately addressing issues where the Government and the Commission disagree on the more specific objectives and means to achieve shared goals ignoring the limitation of specific instruments and staff capacity of Delegation, failing to mainstream cross cutting issues that are treated as separate issues. Increased focus has not resulted in gain of efficiency because a number of themes have been added to the Commission's development agenda and because of slow progress in phasing out old programmes. Limited use of CSP as a monitoring tool. Evaluation made a number of recommendations (listed above for focal sectors) among which to ensure effective phasing out in sector that no longer constitute the strategic focus: water, export crop and education sectors, to develop guidelines for mainstreaming cross-cutting issues and particularly gender, conflict prevention, NSAs involvement, private sector development and to improve incentives towards achieving objectives of a cross-cutting nature and others.

MTR recommendations

MTRC find that the Ethiopia-EC strategy is still valid and does not require substantial change. Sufficient policy dialogue and insufficient financial performance. All available resources in the A envelope are maintained and the funds available under the B-envelope are reduced by € 68,9m.

10. Honduras

Evidence from the CSP, Latin America RSP-LA, Central America RSP-CA (2002-2006), and Honduras Evaluation (2004)

Positioning of DPS

Framework for cooperation mentioned: TEC Art. 177, San José EU-Central American Dialogue, Post-Mitch, EU-CA Coop. Agreement (1993), RSP-LA (2002-06). DPS is mentioned in CSP and RSP-LA, but not clear as how determinant a factor. In RSP-CA, it receives slightly more detailed treatment, especially focal areas.

Overall Objective as stated in CSP

In the RSP-CA, the Community programme is “intended to support the process of Central American integration” which contributes to consolidation of democracy, socioeconomic development and peace. The CSP does not cite an overall objective; instead it notes three focal areas. **Overall poverty goal:** Mentioned, but it is not clearly the overriding objective. In RSP-LA, poverty reduction is seen in terms of social cohesion, focused on reducing inequality. The RSP-CA does not stress this goal. In the CSP, country analysis on the social situation gives figures on the human development of Honduras and overall poverty levels, but no deep analysis (i.e., no distinction made between rural and urban poverty). More attention is given to income and other inequalities. In the CSP, education sector is seen as main contribution to poverty reduction.

Ownership/Partnership

Reference is made in the CSP to Honduras’ National Development Plan of 1999 and to National Poverty Reduction Strategy (part of PRSP), explaining in some detail the latter, although EU has NOT been very active in PRSP or Honduras donor group (largely because it had no permanent delegation in the country). Evaluation notes implementation does not sufficiently take into account government’s policies. In the CSP, there is no clear effort to link national (sector or long-term) objectives with the objectives of EU interventions. However, the work programme is based on Memorandum of Understanding signed in March 2001, which is revised annually with national counterparts.

‘Action programme based on results’

Not very detailed in general. CSP identifies performance indicators in the respective areas, but does not name sources for verification. It does not establish hypothesis but does cite conditions for effective results, many having to do with legislative reforms.

Comparative Advantages/Added Value

Active participation of EC in peace process is seen as comparative advantage, while the EC believes it brings added value through its regional focus (RSP-CA).

Three Cs

Coherence with other EU policies: RSP-CA mentions a large number of policy areas –without explaining links - and highlights three: the GSP in relation to the fight against drugs; the CAP, and; Sanitary and phytosanitary control measures. CSP stresses the same three with a bit more detail, focusing on the banana problem. *Complementarity:* Very brief mention, hardly deals with how to improve it. *Coordination:* refers to G-15 coordinating body of donors. Little is done at a systematic level between EC and MS for Honduras (however, there is broader coordination for the Central American regional programme).

Focal and non-focal areas of engagement

Financial Indicative Amount : 131 million euro (2002-06)

DPS focal sectors	RSP-CA*		CSP	
1. Trade and development	NF	Expansion of trade w/ EU & EU FDI	NF	Support to productive sector to improve exports
2. Regional integration and cooperation	F	Implementation of common policies (60%); role of civil	NF	

		society (10%)		
3. Macro-economic policies - <i>Equitable access to social services</i>	NF	Support for social policies	F	Support to secondary education (21%)
4. Transport				
5. Food security and sustainable rural development			F	FS is included in sustainable management of natural resources (45%)
6. Institutional capacity building, incl. good governance & rule of law		Rule of Law and HR; consolidation of regional institutions	F	Good governance: mainly through support to local dev. and decentralization (26%)

DPS Horizontal aspects	RSP-CA		CSP	
Human rights	NF	Mentioned in list of "others"		
Gender equality	NF	Includes inclusion of indigenous communities		
Children's rights				
Environment	F	Reduction of vulnerability and environ. improvement	F	Sustainable management of natural resources

Others, no emphasis in DPS	NF	Consolidating Peace (RSP-CA)		
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F = focal sector; NF = non-focal sector

*Percentage of indicative programme.

Main findings of evaluation

The CSP does not establish precise targets based on expected results, its strategy is not integrated but piecemeal. The EC is not active enough in international coordination efforts, although it is major donor (1/2), not did participate in national consultations (i.e., PSRP). Despite its financial support, the EC does not execute programmes directly. Poverty reduction is not sufficiently elaborated upon in the CSP; its analysis remains poor. Too little attention and/or resources are given to cross-cutting issues.

11. Kyrgyzstan

Evidence from the Central Asia Strategy Paper 2002-2006 (2002), the Central Asia Indicative Programme 2005-2006 (2004), the TACIS Regional Cooperation Strategy Paper and Indicative Programme 2002-2003 (2001) and 2004-2006 (2003) – Meeting with desk officer

Positioning of DPS

Framework for cooperation mentioned: Partnership and Cooperation Agreement establishing a partnership between the EC and their Member States and the Kyrgyz Republic (1999), TACIS (Council Regulation (EC, Euratom) 99/2000), Articles 6 and 177 of the Treaty are also mentioned in the Regional cooperation indicative programme. TACIS Regional Cooperation Strategy Paper also applies.

Overall Objective as stated in CSP

The EU's cooperation objectives with Central Asian countries are generally based on the Partnership and Cooperation Agreements in force with Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan and the Trade and Cooperation Agreement with Tajikistan. The overarching objectives of the EU's cooperation with Central Asia are to foster respect for democratic principles and human rights and to promote transition towards a market economy. The core objective of the Central Asia strategy paper adopted in October 2002 is "to promote the stability and security of the countries of Central Asia and to assist in their pursuit of sustainable economic development and poverty reduction". It has been reformulated in the 2005-2006 Central Asia Indicative Programme as follows: "to promote stability and security in the region, eliminating sources of political and social tensions, and to assist them in their pursuit of sustainable economic development and poverty reduction in particular by improving

the climate for trade, investments and energy supplies". The annual allocation to Central Asia under TACIS is € 50m. **Overall poverty goal** : Assisting Kyrgyzstan in the pursuit of poverty reduction is explicitly mentioned in the regional CSP as part of the objectives of the current EC assistance strategy in Central Asia. Part of the funds allocated to Kyrgyzstan aim at supporting the implementation of the PRSP. Poverty reduction is especially addressed by EC assistance through sector budget support and at a local level through Community-driven development schemes in a pilot region as part of the PRSP implementing plan. Poverty is also taken into account in the analysis of the situation of the Central Asia region as well as food insecurity as they are particularly relevant to Kyrgyzstan. According to the 2005-2006 indicative programmes the other budget lines from which Kyrgyzstan benefits are the EC major contribution to poverty alleviation. Poverty alleviation is the aim of track three (see below).

Ownership/Partnership

Kyrgyzstan has adopted a PRSP in 2003 to be used as a framework for assistance. The EC food security programme is a significant contributor to the implementation of the PRSP. Central Asia Indicative programme has been discussed with national coordinators and some meetings with local NSAs have been organised. An improved partner state ownership is described as a priority in the TACIS regional cooperation programme.

'Action programme based on results'

Short and medium term and long term indicators are defined in the Indicative programmes. In the Regional Cooperation SP, many indicators are similar to the ones used in MDGs.

Three 'C's

Complementarity is aimed at between TACIS and other EC aid programmes such as ECHO-DIPECHO or the different budget lines that apply to Central Asia. Track 3 programmers (pilot poverty reduction schemes) are in line with the EC Communication on Linking Relief, Rehabilitation and Development (LRRD). Improved coordination and complementarity with other donors and national programmes is cited as a priority in TACIS regional cooperation SP. Regarding coherence, the link between security and development is addressed by dealing with border management / drug trafficking notably through cross border/regional programme. **Other financing sources that also apply to cooperation with the Kyrgyzstan:** Budget lines: Food Security programme, EIDHR, ECHO funds, exceptional macroeconomic assistance, EU-NGOs programme. According to the 2005-2006 indicative programme, these budget lines provide two to three times more funding to the Kyrgyzstan than TACIS and constitute the EC's major poverty reduction assistance to Kyrgyzstan.

Focal and non-focal areas of engagement

TACIS assistance is delivered via three tracks: (i) track 1 is a regional cooperation programme, (ii) track 2 is a regional support for programmes implemented at national level and, (iii) track 3 is constituted of pilot poverty reduction schemes in 2-3 selected target areas. In the case of Central Asia, the areas of cooperation chosen are: 1 - Infrastructure development, 2 - Support for institutional, legal and administrative reform and 3 - Support in addressing the social consequences of transition. These areas are not the same as the focal sectors identified in the DPS.

As the activities financed are presented by track, we will indicate what is financed under each area (i.e. (i) – Transport: means that some transport related activities are financed under track one).

Regarding the Regional Cooperation SP, three focal sectors are identified: 1- Sustainable management of natural resources, 2 – Promoting trade and investment flows, 3 – Justice and home affairs. As the focal sectors are different from the ones defined in the DPS, most of the interventions cannot be described as focal or non focal sectors.

DPS focal sectors	Central Asia Strategy Paper	TACIS Regional cooperation
1. Trade and development	(ii) Trade policy and regulation	
2. Regional integration and cooperation	Track 1 is a regional cooperation programme and aims to enhance regional co-operation	
3. Macro-economic		

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policies - <i>Equitable access to social services</i>			
4. Transport		(i) Transport	2 - Transport
5. Food security and sustainable rural development		(iii) Pilot poverty reduction schemes with integrated rural development projects	
6. Institutional capacity building, including good governance & rule of law	NF	(ii) Civil service and public administration reform (ii) TA related to EC budget support for: public finance management and pro-poor targeting of agricultural or social protection policies (ii) Implementation and enforcement of National Programmes of EU	3 – Enhancing integrated border management 3 – Illegal migration and asylum 3 – Combating organised crime and international terrorism

DPS Horizontal aspects	Central Asia Strategy Paper		TACIS Regional cooperation
Human rights (including Children's rights)	CC	Benefiting from EIDHR To be mainstreamed Through food security programme for children's rights	
Gender equality	CC	To be mainstreamed	
Environment	CC	(i) Environment To be mainstreamed	F 1 - Sustainable management of natural resources Water, biodiversity, sustainable use of forest resources, climate change
Conflict prevention...	CC	Overarching objective of Central Asia SP – Directly applied in track 1 and integrated in track 3	

Others, no emphasis in DPS	NF	(i) Energy Legal approximation (ii) Reform/development of the general and technical higher education systems (i) Justice and home affairs/fight against drugs (i) border management
	New commitments	Mentioned in the 2005-2006 Central Asia Indicative programme: water, transport, energy; Linking Relief, Rehabilitation and Development; migration; marine conservation; preparation for Rio +10; trade and development; rural poverty; Health, AIDS, and population in the context of poverty reduction
RSP	F	2 - Energy
	NF	2 – Telecom/information society

% = Percentage of indicative programme

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

Other financing sources

Central Asia also benefits from other EC/TACIS support instruments: Institution Building Partnership Programme (civil society involvement), Managers Training Programme, Bistro. TACIS Cross border cooperation SP and Nuclear Safety SP also apply.

Mid Term Review Conclusions

The basic analysis presented in the Central Asia strategy paper remains valid today. The mid term review of the Central Asia strategy concluded that recent EU commitments were adequately taken into account, in particular trade-related and justice and home affairs issues.

12. Lebanon

Evidence from the CSP, NIP (2002-2004), MEDA RSP, (2002-2006)

Positioning of DPS

Framework for cooperation mentioned: Barcelona Process, Marseille, MEDA RSP (2002-06). DPS is mentioned in CSP, NIP and RSP, and deeply assimilated as a very determinant factor. Guides cooperation activities in Lebanon, through almost all the focal areas and main priorities in the sequence: growth with reconstruction and poverty alleviation.

Overall Objective as stated in CSP

In the RSP, the Community programme is “intended to support the process of EU-Lebanon Association Agreement for 2014”. The CSP does cite an overall objective (poverty alleviation); and 5 main focal areas: Support for economic reforms; Effective implementation of the Association Agreement; Promotion of social and economic development and fight against inequality; Reduce environmental degradation; Development of human resources. **Overall poverty goal:** Poverty reduction appears as one of the overriding objectives together with the Association Agreement objectives. In MEDA, poverty reduction is just mentioned in terms of social cohesion, focused on reducing inequality, but the overarching objective is fostering integration. CSP does stress this goal. In the CSP, country analysis on the social situation gives figures on the human development of Lebanon and overall poverty levels, and it is integrated into the structural adjustment plan for Lebanon.

Ownership/Partnership

Reference is made in the CSP to Lebanon’s National Development Plan, which aims *Social infrastructure and services* (education, environment, health, water, waste treatment); *Physical infrastructure* (electricity, telecom, roads, transport, etc.); *Productive sectors*- removal of trade barriers, eliminate business costs, review of social security payments, improving SMEs loans, etc; *Pro-growth strategy*: creating a liberal economic environment, integrating the country into the world economy, opening up the markets, encourage trade, monetary and fiscal stability in coordination with the EU, WB and IMF. However, the social policy agenda is less well defined. In the CSP, there is a clear effort to link national (sector or long-term) objectives with the objectives of EU interventions.

- MEDA: Ownership of regional cooperation by the partners is addressed both in programming and implementation stages. Partners are involved at the programming stage through the Barcelona Committee and the Euro-Med. Subsidiarity implies ownership.
- CSP: Partnership with the Lebanese government, takes into account the National Development Plan and support for the structural adjustment plan.

‘Action programme based on results’

Not very detailed in general. CSP identifies performance indicators in the respective areas, but does not name sources for verification. It does not establish hypothesis but does cite conditions for effective results, many having to do with legislative reforms.

Comparative Advantages/Added Value

Support of EC in integration of Lebanon into the world economy, institutional framework and rule of law is seen as comparative advantage, while the EC believes it brings added value through its regional focus (MEDA) and its mutual understanding between cultures of the Mediterranean Basin.

Three ‘C’s

Coherence and complementarity with other EU policies: RSP-MEDA mentions a large number of policy frameworks-- and highlights three: Barcelona Process, DPS, Marseilles, EU Initiative on Sustainable Development, Council Conclusions of Environment. CSP mentions coherence with EU policies on trade, transport, and migration without further details. In the MEDA paper, the EC support remains coherent with both the actions of national governments and the international community. MEDA takes into account defining priorities of the EC Development Policy (DPS) - mainly poverty alleviation, trade and the single market, environmental support, gender, education, and employment. The CSP refers to coherence with Lebanon National

Development Plan and other donors strategies, such as the UN Commission for Sustainable Development, and with the EU policies on trade, development, civil society, Barcelona Declaration.

Coordination with other donors: MEDA lists EC Coordinating role through (i) Foreign Ministers Conference, (ii) Guidance on strategic orientations, same logic modus operandi applies, (iii) Regional strategy is coordinated with bilateral efforts, and (iv) On-the-spot coordination and cooperation with EU MS. The CSP refers to coordination, mentioned in some priority areas with the WB and UNDP, Arab Gulf States in poverty alleviation .

Complementarity with other donors: *CSP claims that EC complements MS actions in Lebanon, especially in environment, health, education and training. Local coordination in Beirut.*

Focal and non-focal areas of engagement

DPS focal sectors	RSP-MEDA		CSP, NIP	
1. Trade and development	F	Euro-Med free trade policy	F	Association Agreement actions. Development of trade sector is more than 50% of total cooperation.
2. Regional integration and cooperation	F	South-South Integration Agreements	NF	
3. Macro-economic policies - <i>Equitable access to social services</i>	F	Support for economic reform through Sustainability of Euro-Med Association.	F	Support the structural adjustment plan, and cooperation is conditioned by economic reforms.
4. Transport	F	Regional Infrastructure Integration (EIB)	NF	
5. Food security and sustainable rural development	NF		F	Rural development as tool to combat poverty (15% of total cooperation)
6. Institutional capacity building, incl. good governance & rule of law	F	Rule of Law and HR; consolidation of regional institutions	F	Institutional reforms and rule of law, human rights are present in the EC strategy for Lebanon.

DPS Horizontal aspects	RSP-MEDA		CSP, NIP	
Human rights	F	coherent with the European Initiative on Human Rights	F	Mentioned in MEDA, and in the CSP
Gender equality	F	Includes promotion of women in promoting sustainable development	NF	CSP describes the situation but no actions are in place.
Children's rights				
Environment	F	Integrated strategy for sustainable development	F	Within the structural adjustment programme.

Others, no emphasis in DPS	NF	Cultural Heritage, TEMPUS		
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F = focal sector; NF = non-focal sector

13. Lesotho

Evidence from the CSP (2002), the SADC RSP (2002), the Lesotho Evaluation (2004), the Joint Annual Report 2003 and the MTR Conclusions (2004)

Positioning of DPS

Framework for cooperation mentioned in CSP (2001-7, signed 09/2002): TEC Art. 177, CPA (2000), DPS (2000), TEC on coordination and coherence. EBA initiative (Lesotho is an LDC) and SADC RSP (2002) also apply. The DPS is explicitly referred to in the CSP in the section on development objectives (p.3), but EU development policy objectives are not referred to as

criteria for choice of response strategy (though “relevance to good governance and poverty reduction”, one of 4 criteria, ties in with DPS). Nevertheless, 2 of 3 focal sectors (transport and macro economic support) are in line with the DPS, and other principles (participation of NSA, complementarity and coherence, cross-cutting themes) also tie in with it. The SADC RSP also mentions the DPS (p.2), but e.g. the section on the EC response strategy lists only TEC and CPA as basis for action.

Overall Objective as stated in CSP

The overall objective of the CSP is “poverty reduction though more equitable distribution of economic growth and better provision of basic services” (p.1), while the SADC RSP aims “to increase economic growth and reduce poverty through higher levels of regional economic integration”. The MTRC suggest that poverty and HIV/AIDS are the greatest challenges faced by Lesotho (p.10).

Overall poverty goal: Poverty reduction is overarching goal of the CSP, while the SADC RSP also aims to “achieve poverty reduction through export-led economic growth through economic liberalisation.”

Ownership/Partnership

Reference is made to the I-PRSP (PRSP not yet signed) and the GoL’s Vision 20/20 document (on its long term aspirations). The MTRC state that coherent national development planning has been lacking for the past decade (p.2).

‘Action programme based on results’

CSP identifies performance indicators for different sectors and sources for verification, and cites assumptions. However, “availability and accuracy of statistical data, particularly for social indicators, is low” (MTRC, p.2).

Comparative Advantages/Added Value

For the choice of response strategy ‘lessons from past experience’ is one of 4 criteria, and complementarity with other donors and NAO, Delegation and NSA capacity are taken into account, but there is no discussion on ‘comparative advantage/added value’ (except significance of EC assistance given other donor’s limited involvement, p.14). Evaluation recommends more thorough analysis of where Commission can add value.

Three ‘C’s

Section in CSP on coherence mentions complementarity of EC strategy with Irish and UK aid, and with **EC trade policy** (impact of TDCA and new arrangements in CPA). “No other issues of coherence with EU policies outside the developmental field have been identified.” (CSP, p.19). Reference is also made to TEC article on coordination and coherence (CSP, p.3).

Focal and non-focal areas of engagement

DPS focal sectors	CSP		RSP	
1. Trade and development	NF	<i>Support for trade expansion & negotiation capacities</i>	F	Achieve poverty reduction though higher levels of economic growth through economic liberalisation at regional level <i>(Preparation/ negotiation/ implementation of EPAs)</i>
2. Regional integration and cooperation	NF	<i>Contribution to regional projects & programmes</i> -Evaluation recommends more proactive EC role in this, especially with regard to the private sector.		
3. Macro-economic policies - <i>Equitable access to social services</i>	F up to 50 %	Macroeconomic support & capacity building: Special attention to poverty reduction objective & equitable access to social services -MTRC find performance in this sector insufficient and recommend abandoning it. -The evaluation also recommended re-directing or discontinuing it.		
4. Transport	F 20 %	Road transportation (multi-donor SWAP) MTRC find sector performance insufficient, make increase in support to sector conditional on	F	Transport & Communications <i>Contribute to economic</i>

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		government adopting policy document, & recommend reinforcing support for capacity building.		<i>development and integration into the World economy (as in treaty) and poverty reduction by reducing transport costs for goods.</i>
5. Food security and sustainable rural development		Not specifically tackled in present CSP. MTRC state need to examine national food security strategy & possible EC contribution, & possible future use of Food Aid/FS budget line.		
6. Institutional capacity building, including good governance & rule of law	(F)	Part of focal sector macroeconomic support: -Institutional weakness/governance are central themes of Lesotho PRS, and “relevance to good governance and poverty reduction” is one basis for choice of EC response strategy. Evaluation recommends placing governance at the centre of the EC strategy, including political dialogue. MTRC propose reinforcing support for capacity building in both transport & water sectors & in public finance management, & make maintenance of A-allocation subject to reforms in areas of governance, social and gender equity.	NF	<i>Capacity-building</i>
Involvement of NSA	NF	<i>Institutional support for NSA and civil society</i> -CSP proposed NSA involvement “where they have a comparative advantage (HIV/AIDS, rural water and micro-projects)”, & recognises important role they can play. -In practise, this involvement has been limited to drafting of CSP/NIP& NF micro-projects. -MTRC recommend considering with GoL capacity building assistance for NSA, in addition to continuing successful micro-projects programme. -Evaluation also recommends strengthening support to civil society (‘moving away from aid-oriented approach’), & stronger role for private sector in regional integration.		Seen as crucial in SADC RSP.

DPS Horizontal aspects	CSP	RSP
Human rights (including Children’s rights)	CC -CSP: c-cutting themes as identified in the CPA ⁵⁰ ; no special reference to human rights. -Evaluation recommends strengthening democracy, human rights & civil society participation. The MTRC state that no particular h/r issues are presently a concern in LSO, but seem to separate this from gender issues.	
Gender equality	CC -Evaluation: cross-cutting themes are poorly mainstreamed (especially HIV/AIDS, food security, gender). The MTR make maintenance of A-allocation subject to reforms in areas of governance, social and gender equity, which are also to be specifically addressed in new focal area HIV/AIDS.	CC SADC RSP states that CC (such as gender and environment) will be mainstreamed in all programmes.
Environment	CC -‘To be taken into account in particular in water and transport sectors’	
Conflict prevention...	CC	NF <i>Peace & Security/ conflict prevention</i>

Others, no emphasis in DPS	F 20%	Water and sanitation: Institutional constraints & longer-term security of supply are key concerns (hence water sector was maintained as priority area in 9 th EDF). Evaluation made a number of recommendations, including capacity building. MTRC find sector performance achievements insufficient, make increase in support to sector conditional on GoL setting out long-term strategy, & recommend reinforcing support for capacity building. Could become beneficiary of EU Water Initiative.
	NF	Micro-projects (on water, education, SMME, HIV/AIDS awareness, & decentralised

⁵⁰ These are: gender, environment, institutional development and capacity building (human rights are part of this).

		cooperation): focus on poverty reduction & emphasis on decentralised cooperation.
	NF	Health sector: NF under 8 th EDF.
	NF+ CC	HIV/AIDS identified as a major constraint to the region's economic development in RSP. MTRC identify reversing HIV/AIDS incidence as most critical challenge if poverty is to be eradicated, & propose to make this a priority area. LSO benefits from Global Fund.
		Benefits from 'Co-financing with NGOs' budget line.

% = Percentage of indicative programme

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

Evaluation recommendations

Country strategy evaluation (2004) found EC strategy to be broadly consistent with Commission policy as stated in treaties, development policy (DPS) and CPA. It found the overall relevance of EC strategy to be good, but weaknesses in addressing HIV/AIDS pandemic, supporting regional integration and private sector development and mainstreaming of cross-cutting themes (especially HIV/AIDS, food security, gender). It recommends to: 1. Support a more strategic approach to development in Lesotho, including move away from aid-oriented approach to support of civil society; 2. Place governance at the centre of the EC's strategy (incl. strengthening dialogue & taking leading role in coordinating donor support to public sector reform); 3. Rebalance the strategy towards the accountability chain: democracy, human rights & civil society participation; 4. Redirect/discontinue budget support; 5. Take more proactive role in regional economic integration, especially with regard to private sector development; and makes a number of 7. Recommendations by focal sector: Water (incl. capacity building), Transport (incl. strengthening of SWAP & institutional reform, financial management), HIV/AIDS (incl. addressing it as governance issue, mainstreaming it & making it a focal sector in the 10th EDF).

MTR recommendations

MTRC find performance in all 3 focal sectors insufficient, and (in line with evaluation findings) propose change in country strategy to: refocus on priority measures to address HIV/AIDS in the framework of a strengthened PRS, targeting social & gender equity and good governance (particularly public finance management), abandon macroeconomic budget support, increase support for focal sectors Water & sanitation and Transport (conditional on government setting out policies in these areas), reinforce support for capacity building in both of these sectors & PFM. Maintenance of the A-allocation is made subject to reforms in the areas of governance, social and gender equity.

14. Macedonia

Evidence from the CSPs (2002-2006), Stability and Association Programme (SAP), CARDS (Council Regulation EC 2666/2000)

Positioning of DPS

Framework for cooperation mentioned: European Partnership (Council Regulation (EC) No. 533/2004), Stability and Association Agreement, SAA (SAP), CARDS (Council Regulation (EC) 2666/2000)

Overall Objective as stated in CSP

The purpose of the CSP is "that of setting a strategic framework for the period 2002-2006, which shall serve to set long-term objectives and priority fields of action for the provision of CARDS assistance in the FYROM". The CPS has largely been directed at supporting the efforts required for the full implementation of the SAA and the IA. The European Commission believes that the full implementation of the SAA and the IA are the best means to ensure the long-term stability and the prosperity of the FYROM – the CSP focused on these (those) objectives. The objectives of the SAP and the EC CARDS programme assist the FYROM on four main priority sectors: democracy and the rule of law, economic and social development, justice and home affairs, and the environmental and natural resources. **Overall poverty goal:**

The country analysis' part on the social development gives figures on the human development of the FYROM and explores the poverty level in the country. This part, however, is comparatively small. But: Poverty reduction is a main point in the EC Response Strategy for conflict prevention; "alleviating poverty" is also listed under essential challenges.

Ownership/Partnership

The cooperation between the EU and FYROM based on the SAA which could entered into force in 2004 and the European Partnership. The partnership is based on the prospect of membership.

'Action programme based on results'

Aspired results are not defined in detail (no indicators) – full implementation of the SAA und the IA plus the accomplishment of the objectives of the SAP are main goals.

Three 'C's

links mentioned to ECHO engagement; trade policy; CFSP is not mentioned; CARDS regional programme; *Complementarity with the EU Member states and other donors*: CARDS resources requires a clear complementarity with the actions of other donors (IMF and World Bank), co-operation with MS for sectors like education, health-care, media, communications network, major infrastructure development, culture and civil society development, public administration reform. *Coordination*: not mentioned

Focal and non-focal areas of engagement

CARDS assigned about € 200m to Macedonia in 2003. NB: The delegation of the European Commission is not dealing with the practicalities of development co-operation. The control and execution of the CARDS programme (i.e. including dev coop) is transferred to the European Agency for Reconstruction (EAR). The means assigned to Macedonia amounted to €204m between 2000 and 2003. The measures financed predominantly are technical cooperation, even if they partly also show a strong component of aid in goods and material. Main target is to support the SAP. There is a critical dualism between the delegation and the EAR.

DPS focal sectors		CSP FYROM		SAP
1. Trade and development	F		SP	asymmetric trade liberalisation
2. Regional integration and cooperation	F		SP	support regional cooperation component (10% of CARDS); the RSP identifies 4 areas of support: integrated border management, institutional capacity building, democratic stabilisation (civil society), help planning for integration of the region's transport, energy and environmental infrastructure into EU networks
3. Macro-economic policies	F	Economic and social cohesion Assistance in education dev, promoting development in the least developed areas; completion of the privatisation process	SP	Econ. and financial assistance, budgetary assistance and balance of payment support
4. Transport	NF			
5. Food security and sustainable rural development	-		-	
6. Institutional capacity building, incl. good governance & rule of law	F	Has to be seen under the support of the SAP and the implementation of the Ohrid Framework Agreement	SP	assistance for democratisation and civil society, co-operation in justice and home affairs, <i>development of a political dialogue</i> (based on the membership perspective)

DPS Horizontal aspects				
Human rights		<i>Human aid and minority rights mentioned under the SAP and</i>	SP	humanitarian aid for refugees, returnees and other persons of concern

		<i>ECHO</i>		
Gender equality	-		-	
Children's rights	-		-	
Environment	NF	Water quality, air pollution and waster water management (scarce reference)		

Others, no emphasis in DPS	F	Full Implementation of the Ohrid Framework Agreement (i.e. minority rights, reform of state institutions, etc.) Integrated border management (includes fight against crime, police reform and illegal trafficking), conflict prevention and rehabilitation, easing of ethnic tensions, integration in EU structures		
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F = focal sector; NF = non-focal sector; SP = strategic priorities in regional programme

15. Malawi

Evidence from the CSP (2002), the SADC RSP (2002) and the Region of Eastern and Southern Africa and the Indian Ocean RSP (2002), the Malawi Evaluation (2003), the Joint Annual Report 2003 and the MTR Conclusions (2004)

Positioning of DPS

Framework for cooperation mentioned in CSP (2001-7, signed 08/2002): TEC Art. 177, CPA (2000), DPS (2000), TEC on coordination and coherence. EBA initiative (Malawi is an LDC) and SADC (2002) and E&SA RSPs (Region of Eastern and Southern Africa and the Indian Ocean, 2002) also apply. The DPS is explicitly referred to in the CSP in the section on development objectives (p.2); 'EU development objectives' are cited as one of 4 criteria for the choice of focal sectors (p.19), and the specific focal sectors chosen are referred back to the DPS (as well as the CPA, p.23). The DPS is also mentioned in the SADC RSP (p.2), but e.g. the section on the EC response strategy lists only the TEC and CPA as basis for action. In the E&SA RSP, the DPS is also mentioned in Objectives section, and explicitly referred to as the basis for action in the focal sectors Economic integration and trade and Transport and communications (pp.22-3).

Overall Objective as stated in CSP

The overall objective of the CSP is poverty reduction. This is in line with the MPRSP (Malawi Poverty Reduction Strategy Paper) and the PRSP (2002). Both the SADC and E&SA RSPs have as overall aim "to increase economic growth and reduce poverty through higher levels of regional economic integration."

Overall poverty goal: Poverty reduction is the overarching goal of the CSP, confirmed by the PRSP and the MPRSP ("sustainable poverty reduction through the empowerment of the poor", MTRC p.3). Both the SADC and E&SA RSPs also aim to "achieve poverty reduction through export-led economic growth through economic liberalisation."

Ownership/Partnership

Reference is made to the national Malawi Poverty Reduction Strategy Paper - MPRSP (part of PRSP 2002), which identifies 4 main strategic components: (i) pro-poor growth, (ii) human capital development, (iii) improving quality of life for most vulnerable, (iv) good governance; and HIV/AIDS, gender, environment as CC. The MTR indicate that the objectives of the CSP are in line with this strategy.

'Action programme based on results'

CSP identifies performance indicators and sources for verification only for the focal sectors transport and agriculture/rural development, and does not cite assumptions. Availability of social and economic indicators is low, states MTRC.

Comparative Advantages/Added Value

The choice of focal sectors is partly based on “relative strengths of past and ongoing EC interventions in Malawi in the various sectors” and on “complementarities to EU MS interventions and the search for lead donors” (p.19). EC strengths are perceived to lie in agriculture/food security and transport sectors (pp. 20-1).

Three ‘C’s

Section in CSP on coherence with EU Policies refers to coherence of CSP with EU development policies (CPA, DPS mentioned) (p.23) It also mentions other donor programmes and coordination with them, and states that the “choice of focal sectors has been significantly influenced by reference to other donors’ intentions” (p.24). Reference is also made to TEC article on coordination and coherence (CSP, p.2).

Focal and non-focal areas of engagement

DPS focal sectors	CSP	RSP
1. Trade and development		F SADC & E&SA RSPs: <i>Achieve poverty reduction though higher levels of economic growth through economic liberalisation at regional level (EPAs)</i>
2. Regional integration and cooperation		
3. Macro-economic policies - <i>Equitable access to social services</i>	F 25% Focus on health and education MTRC: inadequate financial management, & propose scaling down	
4. Transport	F 33% Road sector support programme. -Evaluation made a number of recommendations (incl. integration of gender, HIV/AIDS, environment). MTRC indicate insufficient performance by GoM in the sector, & propose scaling down the programme.	F SADC & E&SA RSPs: Transport & Communications <i>Contribute to economic development and integration into the World economy (as in TEC) and poverty reduction by reducing transport costs for goods.</i>
5. Food security and sustainable rural development	F 22% Agriculture and Natural resources: support for GoM food security and agricultural policy -MTRC find sector performing well overall (though also poor implementation of well defined policies), & call for allocation to be increased after MTR (& focus on poorest to be strengthened).	
6. Institutional capacity building, including good governance & rule of law	CC+ NF <i>Good governance & civic education</i> -Both the Evaluation (many interventions failed to deliver expected impact) & the MTR recommend strengthening it. CC+ NF <i>Institutional weakness</i> <i>Institutional development & capacity building</i>	N F SADC & E&SA RSPs: <i>Capacity-building</i>
Involvement of NSA	Partly implement food security programme (F-CSP). Involved in policy dialogue & programmes (incl. CSP and MTR), but no specific resources allocated to them in 2003. Feasibility study on their involvement is planned. Evaluation recommends that civil society & private sector participation should be mainstreamed.	Seen as crucial in SADC & E&SA RSPs

DPS Horizontal aspects	CSP	RSP
Human rights (including Children’s rights)	CC -CSP mentions the c-cutting themes as identified in the CPA ⁵¹ , but does not cite human rights specifically. -EIDHR initiative (special emphasis on women	

⁵¹ These are: gender, environment, institutional development and capacity building (human rights are part of this).

		and children's rights)		
Gender equality	CC	Achievements section in MTR states that much remains to be done on gender policy. Specific reference to Public Works Programme as positive contribution.	CC	SADC RSP states that CC (such as gender and environment) will be mainstreamed in all programmes.
Environment	CC	MTR suggest further steps (Strategic Environmental Assessment for focal areas)	F	Management of natural resources (E&SA RSP, based on CPA)
Conflict prevention...			NF	<i>Peace & Security/ conflict prevention</i> (SADC & E&SA RSPs)

Others, no emphasis in DPS	NF	Micro-projects: Basic infrastructure (mainly education, health, water/sanitation)
	NF	Health sector: Support to reform (=design of SWAP) + other projects. Was a focal area during 7 th and 8 th EDF. Evaluation recommended dropping it;
	CC	HIV/AIDS is identified as a CC in the CSP. HIV/AIDS is also identified as a major constraint to the region's economic development (SADC RSP)
	New	EU Energy & EU Water Initiatives are relevant for Malawi.
	NF	Higher Education and Culture (in E&SA RSP)

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

Evaluation recommendations

Country strategy evaluation (2003) found that EC cooperation had some positive results, but that its impact has been weakened by severe governance shortcomings which if not addressed will threaten the viability of future interventions, and local capacity constraints. It made recommendations on: 1. Good governance - should become overarching theme across cooperation; 2.-5. Governance (at central and local level) and rule of law - should be strengthened; 6.-8. Democracy and human rights and civil society - civil society and private sector participation should be mainstreamed; 9.-14. Food security and natural resources - improvements suggested; 15.-18. Transport infrastructure - work with government and other stakeholders; integrate gender, HIV/AIDS and environment; 19. Health sector - develop exit strategy; 20.-22. Means (budget support, capacity building for project staff).

MTR recommendations

MTR find that the "Malawi-EC strategy is still valid and does not require substantial change, as its priorities remain within the MPRSP objectives" (p.2). However, sectoral allocations should be reviewed to: pay more attention to good governance as pre-requisite for achieving MPRSP objectives (poor economic governance and lack of political will identified as major problems, MTR, p.9), increase support for poorer layers of population (to improve income and food security), support agricultural sector reforms (incl. environment protection and land reforms) by increasing allocation to focal sector (food security/agriculture), continue, but reduce budget support, and to continue (but potentially reduce) road sector programme. Overall, a decrease in the allocation to focal sectors and an increase to non-focal sectors is proposed.

16. Morocco

Evidence from the CSP, NIP (2002-2004), MEDA RSP, (2002-2006)

Positioning of DPS

Framework for cooperation mentioned: Barcelona Process, Marseille, MEDA RSP (2002-06). DPS is mentioned in CSP, NIP and RSP, and deeply assimilated as a very determinant factor. Guides cooperation activities in Morocco, through almost all the focal areas and main priorities in the sequence: growth-unemployment-poverty-migrations

Overall Objective as stated in CSP

In the RSP, the Community programme is “intended to support the process of EU-Morocco Association Agreement”. The CSP does cite an overall objective (poverty alleviation); and 5 CSP main focal areas: economic growth, employment, rural development, urban development, UE association agreement, regional integration, access to basic social services for poor, human resources, social development, and increase efficiency and reduce vulnerability to droughts, institution building, and migrations (new). **Overall poverty goal:** It appears as one of the overriding objectives together with the Association Agreement objectives. In MEDA, poverty reduction is just mentioned in terms of social cohesion, focused on reducing inequality, but the overarching objective is fostering integration. CSP does stress this goal. In the CSP, country analysis on the social situation gives figures on the human development of Morocco and overall poverty levels. Appears in the sequence: low growth-high unemployment-poverty-migration. Attention is also given to income and other inequalities. In CSP, rural development is seen as main contribution to poverty reduction (although it is absent in the strategy for Morocco)

Ownership/Partnership

Reference is made in the CSP to Morocco’s National Development Plan, which aims closer integration with the EU, and to the informal coordination mechanisms between the EC and the government. In the CSP, there is a clear effort to link national (sector or long-term) objectives with the objectives of EU interventions.

- MEDA: Ownership of regional cooperation by the partners is addressed both in programming and implementation stages. Partners are involved at the programming stage through the Barcelona Committee and the Euro-Med. Subsidiarity implies ownership.
- CSP: Partnership with the Moroccan government

‘Action programme based on results’

Not very detailed in general. CSP identifies performance indicators in the respective areas, but does not name sources for verification. It does not establish hypothesis but does cite conditions for effective results, many having to do with legislative reforms.

Comparative Advantages/Added Value

Active participation of EC in integration of Morocco into the world economy is seen as comparative advantage, while the EC believes it brings added value through its regional focus (MEDA) and its mutual understanding between cultures of the Mediterranean Basin.

Three ‘C’s

Coherence and complementarity with other EU policies: RSP-MEDA mentions a large number of policy frameworks; three of them are highlighted: Barcelona Process, DPS, Marseilles, EU Initiative on Sustainable Development, Council Conclusions of Environment. The CSP mentions coherence with EU policies on trade, transport, and migration without further details. EC claims that its support remains coherent with both the actions of national governments and the international community. The strategy takes into account defining priorities of the EC Development Policy (DPS) - mainly poverty alleviation, trade and the single market, environmental support, gender, education, and employment.

Coordination with other donors: MEDA lists EC Coordinating role through (i) Foreign Ministers Conference, (ii) Guidance on strategic orientations, same logic modus operandi applies, (iii) Regional strategy is coordinated with bilateral efforts, and (iv) On-the-spot coordination and cooperation with EU MS. The CSP emphasises partnership with the Moroccan government and strong coordination with other donors in the areas of emigration, northern development, WB administration reforms and transport

Focal and non-focal areas of engagement

DPS focal sectors	RSP-MEDA		CSP, NIP	
1. Trade and development	F	Euro-Med free trade policy	F	Border control cooperation
2. Regional integration and cooperation	F	South-South Integration Agreements	F	South-South Integration Agadir Association Agreements (little financing)
3. Macro-economic	F	Support for economic	F	Moroccan enterprises support

policies - <i>Equitable access to social services</i>		reform through Sustainability of Euro-Med Association. (SMAP, environmental strategy)		(€61m) and Productive sector support with environmental dimension (€66m)
4. Transport	F	Regional Infrastructure Integration (EIB)	F	Included in the NIP as socioeconomic development (50% of total NIP) together with public administration and association
5. Food security and sustainable rural development	NF		NF	Some projects in the Northern Region, but it is not a priority
6. Institutional capacity building, incl. good governance & rule of law	F	Rule of Law and HR; consolidation of regional institutions	F	Democratic consolidation accounts for € 810 m euros in the NIP

DPS Horizontal aspects	RSP-MEDA		CSP, NIP	
Human rights	F	coherent with the European Initiative on Human Rights	NF	Mentioned in MEDA, not really in the CSP
Gender equality	F	Includes promotion of women in promoting sustainable development	NF	
Children's rights				
Environment	F	Integrated strategy for sustainable development	F	Together with productive sector actions.

Others, no emphasis in DPS	NF	Migration, border controls, Cultural Heritage
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F = focal sector; NF = non-focal sector

17. Mozambique

Evidence from the CSP (2002), the SADC RSP (2002), the Joint Annual Report 2003 & the MTR Conclusions (2004)

Positioning of DPS

Framework for cooperation mentioned in CSP (2001-7, signed 02/2002): TEC Art. 177, CPA (2000), DPS (2000), TEC on coordination and coherence. EBA initiative (Mozambique is an LDC), Sugar Protocol (2004), Fisheries Agreement (2004) and SADC RSP (2002) also apply. The CSP explicitly refers to the DPS in the in the section on development objectives (p.3), and states that the 6 areas of intervention identified by GoM response strategy (PARPA) "largely correspond to priorities identified by Council and Commission" (p.19). The (DPS) principles of concentrated, targeted, complementary and coordinated (with other donors) assistance are also taken up throughout the document. The DPS is also mentioned in the SADC RSP (p.2), but e.g. the section on the EC response strategy lists only the TEC and CPA as basis for action.

Overall Objective as stated in CSP

The overall objective of CSP is to support the consolidation of democracy and the improvement of human rights, and the GoM's poverty reduction strategy, PARPA (Action Plan for the Reduction of Absolute Poverty). The SADC RSP aims "to increase economic growth and reduce poverty through higher levels of regional economic integration".

Overall poverty goal: "To address some of the key determinants of poverty identified by GoM and to support the Government in its overall objective of alleviating and eventually eradicating poverty" is the overarching goal of the CSP. The SADC RSP aims to "achieve poverty reduction through export-led economic growth through economic liberalisation".

Ownership/Partnership

The CSP supports the GoM's poverty reduction strategy PARPA (part of PRSP), which identifies 6 priority areas for intervention (i) education, (ii) health, (iii) agriculture and rural development, (iv) basic infrastructure, (v) good governance, (vi) macroeconomics and financial management. The CSP bases its choice of focal sectors on the 6 areas of intervention identified by the PARPA (which 'largely correspond' to the DPS priority areas) and EC comparative advantage (p.19).

'Action programme based on results'

The CSP is monitored and evaluated within the framework of the PARPA (CSP, p.28), for which a Performance Assessment Framework (PAF) with more than 40 indicators to monitor implementation was finalised in March 2004 (signed by Government and donors) (MTRC, p.5).

Comparative Advantages/Added Value

EC 'more or less distinct' comparative advantage is identified to lie in funding, policy dialogue, past experience and Mozambique's needs in terms of macro-financial support, transport infrastructure and food security and agriculture (CSP, p.19).

Three 'C's

Coordination (and complementarity) with other donors – especially EU MS – is discussed in the CSP (elaborated in close coordination with MS, pp.2, 15-8, 22) and is judged to be comprehensive and regular (JAR 2003, p.32). The CSP states that coherence of development policy with other Commission policies *sometimes leaves to be desired*, and mentions trade (especially sugar) and fisheries (p.18). The CSP also refers to the TEC article on coordination and coherence (CSP, p.3).

Focal and non-focal areas of engagement

DPS focal sectors	CSP		RSP	
1. Trade and development			F	<i>Achieve poverty reduction though higher levels of economic growth through economic liberalisation at regional level (Preparation for EPAs)</i>
2. Regional integration and cooperation				
3. Macro-economic policies - <i>Equitable access to social services</i>	F 55 %	-MTRC indicate good performance & propose increase in allocation (variable tranches to health sector, education (EFA-FTI) & food security).		
4. Transport	F 31 %	Transport and infrastructure -MTRC indicate sufficient performance & propose increase in allocation. (Poverty, gender, environmental impact & HIV/AIDS are taken into consideration)	F	Transport & Communications <i>Contribute to economic development and integration into the World economy (as in TEC) and poverty reduction by reducing transport costs for goods.</i>
5. Food security and sustainable rural development	F	<i>Support for National Programme for Agricultural Development (PROAGRI) through Multiannual Food Security Programme (funded from FSBL)</i> -MTRC indicate sufficient performance & propose to support it through sectoral budget support. (Gender action plan & environment management plan for agricultural sector have been produced by Ministry.)		
6. Institutional capacity building, incl. good governance & rule of law	NF NF	<i>Good governance & legal/judicial sector</i> <i>Institutional support to NAO office</i>	NF	<i>Capacity-building</i>

Involvement of NSA	NF	<i>Civil society capacity building</i> -NSA were involved in PARPA, but limited involvement in CSP so far. -NSA support programme to be decided before end 2004.		Seen as crucial in SADC RSP.
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DPS Horizontal aspects	CSP	RSP		
Human rights (including Children's rights)	CC	-CSP mentions the c-cutting themes as identified in the CPA ⁵² ; no special mention of human rights. However, supporting the consolidation of democracy & the improvement of human rights is 1 of the 2 main objectives of CSP. Mozambique also benefits from the EIDHR initiative.		
Gender equality	CC	-MTRC state that cross-cutting issues have been integrated & supported in all programmes, & for gender specifically mention all 3 focal sectors.	SADC RSP states that CC (such as gender and environment) will be mainstreamed in all programmes.	
Environment	CC	-MTRC specifically mention Transport and FS focal sectors. Also state that efforts are being made to assist the government in the framework of the 'Environment donors working group' to tackle environmental issues. -Benefits from 'Environment in developing countries' and 'Tropical forests...' budget lines.		
Conflict prevention...	CC		NF	<i>Peace & Security/ conflict prevention</i>

Others, no emphasis in DPS	NF	Health and HIV/AIDS
	CC+ NF	HIV/AIDS: mainstreamed especially in agriculture/food security. Also identified as a major constraint to the region's economic development in the RSP. MOZ also benefits from 'Population and reproductive health..' and 'AIDS prevention..' budget lines
	NF	Education (including Fast Track Initiative 'Education for All' implemented through SWAP)
	NF	Private sector development: 8 th EDF.
		'Co-financing with NGOs' and Anti-Personal Mines budget lines.

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

MTR recommendations

MTRC conclude that 'EC-Mozambique strategy is appropriate' (in line with Government priorities) and requires no change, that overall performance in focal sectors is good, and proposes an increase in the allocation under the A envelope (mainly in 3 focal sectors).

18. Nicaragua

Evidence from the CSP, Latin America RSP-LA, Central America RSP-CA (2002-2006), Memorandum of Agreement between Nicaragua and the EU

Positioning of DPS

Framework for cooperation mentioned: TEC art. 177, San José EU-Central American Dialogue, Post-Mitch, EU-CA Coop. Agreement (1993), Stockholm Agreement (1999) RSP-LA (2002-06). DPS is mentioned but not clear how deeply assimilated nor if it is very determinant factor. In RSP-CA, it receives slightly more detailed treatment, especially the focal areas. The CSP mentions and is coherent with the DPS of 2000, poverty reduction and the 6 focal areas. Coherent with the memorandum of agreement of 2001.

Overall Objective as stated in CSP

⁵² These are: gender, environment, institutional development and capacity building (human rights are part of this).

In the RSP-CA, the Community programme is "intended to support the process of Central American integration" which contributes to consolidation of democracy, socioeconomic development and peace. The CSP states as main objectives the rural development, land property, education and good governance and security, and economic cooperation; social and economically sustainable development, integration into the world economy and fight against poverty. In the CSP there is clear mention of the reduction of poverty since Nicaragua is a HIPC country with a PRSP that the EC has embraced in 2001. Objectives of the PRSP are state modernisation, equity, transparency, participation of all agents, and a poverty reduction strategy with four pillars (growth, human capital, protection of vulnerable groups, and governance). It also includes three horizontal issues: environment; social equity, and decentralization. Overall poverty goal: is not the clear overriding objective on the regional level. In RSP-LA, poverty reduction is seen in terms of social cohesion, focused on reducing inequality. RSP-CA does not emphasise this goal. The country analysis in the Nicaragua CSP describes the situation in depth, with extensive reference to the PRSP.

Ownership/Partnership

Reference is made in the CSP in the case of the dialogue with the government for the PRSP and the CSP for 2002-2006. Cooperation is also done through NGOs. CSP recognises the need to increase the consultation mechanism with the government and other EC DGs. Annual bilateral meetings with the Foreign Affairs Minister and the Delegation to discuss execution and strategy.

Action programme based on results

Not mentioned.

Comparative advantages

Active participation of EC in peace process is seen as comparative advantage, while the EC believes it brings added value through its regional focus (RSP CA). Democracy clause is found in the Memorandum of Agreement.

Three 'C's

Coherece with other EU policies: RSP-CA mentions a large number of policy areas-without any explanation of links- and highlights three: the GSP in relation to the fight against drugs, the CAP and sanitary and phytosanitary control measures. CSP stresses coherence with the most relevant policies: trade; agriculture; health; consumer safety; internal market; competitiveness; justice, IT society, research and conflict prevention. *Complementarity:* Regular meetings in Managua between MS and the EC with regular meetings. Some worries exist about the relatively narrow role played by the government. *Coordination:* Systematic and coherent coordination mechanisms in place are described: Nicaragua Consultative Group, Stockholm Consultative Group (created after Mitch by Germany, Spain, Canada, USA, Japan and Sweden), Good Governance Group and subgroups, and others. However, the EC does not participate as much as it should in the coordination efforts.

Focal and non-focal areas of engagement

Financial Indicative Amount The evaluation of the 1998-2000 programme concluded that: projects in education, health, justice and others have been too small to favour any policy changes in Nicaragua and that all the actions should be integrated into horizontal programmes.

1999: EU cooperation attained 261 million euros (Sweden, Denmark, Germany, Spain, Netherlands, and Finland). The EU is the largest donor in Nicaragua. No EIB loans in Nicaragua. In 2000-2006 the overall amount is at € 207,4m, of which: € 192,5m economic and financial aid; € 15m Food Security; € 14m in Regional Fund for PRSP

DPS focal sectors		CSP		RSP-CA
1. Trade and development	NF	Mentions the US-CA FTA. Secondary interest. Subregional cooperation. 74,5 million euros.	NF	Expansion of trade with EU and FDI
2. Regional Integration and cooperation	NF	Productive infrastructure (23%). Economic infrastructure (17%) Appears as horizontal issue. Allocation of € 5m.	F	Implementation of common policies (60%) role of civil society (10%)
3. Macroeconomic	F	PRSP (15,9 million euros), Education	NF	Support for social policies

policies and social sectors		National Plan (35%, 40 million euros). Economic cooperation (19%)		
4. Transport	NF	12,7% of funding for this sector		
5. Food security and sustainable rural development	F	Main objective is rural development and land reform. Food aid. Not coherent with the importance accorded in the country strategy. (118 million euros)		
6. Institutional capacity building	F	Main objective is good governance and democratisation. (5 million euros)	F	Rule of Law and HR, consolidation of regional institutions

DPS Horizontal aspects		CSP		RSP-CA
1. Human rights		Mentioned in the political context	NF	Mentioned in others
2. Gender equality		Mentioned in the local rural development objective together with land reform, education and decentralisation, etc. Mentions that have to be considered.	NF	Includes inclusion of indigenous communities
3. Children's rights				
4. Environment	NF	In tropical jungles. Something in rural development. Mentions that there will be support for local and regional and central institutions.	F	Reduction of vulnerability and environmental improvement

Others, no emphasis in DPS	NF	HIV, landmines, humanitarian aid, natural catastrophes		
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19. Philippines

Evidence from the CSP (2002-2006) and NIP (2002-2004)

Positioning of DPS

Framework for cooperation mentioned: TEC areas of cooperation (trade, sustainable economic and social development); ALA Council Reg 443/92; COM 94 (314) 1994 "New Strategy for Asia" and COM 2001 (469). Regional framework: COM 2000 (241) on ASEM; Cooperation Agreement EEC 1440/80 between European Community and ASEAN. No explicit mention of the DPS.

Overall Objective as stated in the CSP

Overarching objective of the EC cooperation will be "to support the sustainable, economic, social and environmental development of the Philippines". There are two main areas of concentration: (i) assistance to the poorest sectors of the society and (ii) facilitate the integration of the Philippines in the flow of international trade. Other non-focal sectors: human development and stability and security. **Overall poverty goal:** The Philippines are no longer a priority country for the EC development aid in the region. However, poverty reduction (especially in rural areas) still one of two priorities of EC development cooperation in the country (Focal sector: Assistance to the poorest sectors of society).

Principles of Ownership/ Partnership

At the macro-level, reference is made to the Philippine Government's Medium Term Development Plan (MTDP) 1999-2004 as the country's general framework for achieving poverty reduction targets. Details on the MTDP priorities are given. The EC's explicit intent is to increase the chances to achieve the MTDP goals. At micro-level decentralisation and beneficiaries' ownership are mentioned as one of the main areas of the EC support.

Action programme based on results

The NIP identifies performance indicators for most of the actions programmed (with the exception of the actions under Focal area (i) where performance/outcome indicators "will be defined by the Project Appraisal Mission").

Comparative advantages/Added value

Capacity building at community level, support for local government and decentralisation are seen as areas where the EC has comparative advantage.

Three 'C's

Coherence: Stated coherence between the 5 areas of intervention and EU policies. Particular attention is given to coherence with reference to the EC Development Policy COM (2000) 212 final. *Co-ordination and complementarity*: Coordination (under the complementarity heading) between EU and MS in most of the thematic sectors and at various levels. No overlapping has been identified (!) – which might also be attributed to the relatively small number of EU donors on the ground. However, strengthened coordination is required. Coordination with other donors ensured through the Consultative Group Meeting and hoc-thematic groups.

Focal and non-focal areas of engagement

As mentioned above, the CSP gives two (broad) focal areas: (i) assistance to the poorest sectors of the society and (ii) facilitation of the integration of the Philippines in the flow of international trade.

DPS Focal sectors	CSP
1.Trade and development	CSP's focal area (ii) - Assistance to Trade and investment
2.Regional Integration	Mentioned under Economic Cooperation
3.Macroeconomic policies – <i>Equitable access to social services</i>	Support to sectoral programmes on basic social services, health or education under the CSP's focal area (i)
4.Transport	
5.Food security	Food AID (ECHO)
6.Institutional Capacity Building, including good governance & rule of law	Governance and Institutional Reforms under the CSP's focal area (ii).

DPS Horizontal aspects	CSP
1.Human Rights	Under "other areas of cooperation"
2.Gender equality	
3. Children's rights	Mentioned with Human Rights
4.Environment	Included in the integrated rural development projects and horizontal instruments. But very limited budgetary availability

20. Senegal

Evidence from the CSP (2002-2006), Annual Report 2003, MTR, interview at the EC delegation in Dakar

Positioning of DPS

Framework for cooperation mentioned (in this order): TEC Art. 177, Cotonou Partnership Agreement, the DPS, and TEC Art. 177,2.

Overall Objective as stated in CSP

The overall objective of the CSP is given as "assisting the Senegalese government in its efforts against poverty in a lasting way via sustainable and equally distributed growth (incl. *l'égalité des chances*), good governance (with the involvement of non-state actors), regional integration and increasing integration into the world economy." **Overall poverty goal**: The country analysis' part on the social situation gives figures on the human development of Senegal and explores the poverty level in the country (e.g. quoting household surveys). The Annual Report (AR) mentions progress in relative terms, but emphasises the small impact on people's every day lives.

Ownership/Partnership

Reference is also made in the CSP to NEPAD, regional integration endeavours, and the Senegalese PRSP. The latter refers to some MDGs, which in themselves are not explicitly mentioned. The CSP links national (sector or long-term) objectives with the objectives of EU intervention. The AR describes the PRSP as the central document for economic and social policy. Senegal is seen as a country that is very open to political dialogue with the EU.

'Action programme based on results'

CSP identifies performance indicators in the respective areas, names sources for verification and sets up hypotheses, plus provides for sequencing. Major problems exist in implementing programmes – around 59% of funds of the 8th EDF (1995-2000) are still not disbursed. The AR, however, recommends to not shift priority sectors. Given the peace process in the Casamance, resources of the B envelope could be mobilised as post-conflict support for the region.

Three 'C's

Links mentioned to trade and regional integration (in the regional context, given under the Cotonou Agreement); human rights. The EIB is involved in the Cotonou framework, e.g. via investment facility; Fisheries mentioned – support/training for small-scale fishery ('la pêche artisanale').

Focal and non-focal areas of engagement

DPS focal sectors	CSP Senegal	
1. Trade and development	NF	Mentioned under coherence, reference to EPA preparation and negotiation in the Annual Report
2. Regional integration and cooperation	-	Mentioned under coherence (see 1., West African EPA). Several EDF programmes on the regional level reviewed in AR.
3. Macro-economic policies - <i>Equitable access to social services</i>	F F	Restructuring the health sector (8 th EDF) – AR: little progress achieved, very few disbursements (18.9% of commitments); waste water management as one focal area (long-term development sector)
4. Transport	F	AR: Absorptive capacity has slightly improved in this sector, but is still low. Links to environment are mentioned under this sector
5. Food security and sustainable rural development	-	
6. Institutional capacity building, incl. good governance & rule of law	F	Focal sector of the 9 th EDF: governance of economic and social affairs (reference to <i>good governance</i> plan of the Senegalese govt.)

DPS Horizontal aspects	
Human rights	Mentioned under coherence
Gender equality	
Children's rights	Not mentioned in the CSP, despite the problem of ' <i>talibés</i> ' (begging children)
Environment	(few links established via waste water management as focal sector, and transport issues (AR).

Others, no emphasis in DPS	NF	Culture (audit of the programme expected in 2004).
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F = focal sector; NF = non-focal sector

21. Solomon Islands

Evidence from the CSP, RSP, annual reviews, interview with EC desk and answers to questionnaire sent to EC Delegation

Positioning of DPS

The overall reference documents are the EU treaty (art. 177) and the Cotonou Agreement rather than the Development Policy Statement (DPS). The DPS is in the second layer of reference documents together with the Communication on Conflict Prevention (April 2001).

The CSP refers to the DPS and especially to: i) focus on poverty reduction; ii) the necessity to choose a limited number of intervention sectors where iii) the EC has an added value. The CSP also refers (iv) explicitly to the 6 priority areas.

Overall Objective as stated in CSP

The overall objectives are poverty reduction, social cohesion and post-conflict rehabilitation. The focal sector in the CSP is rural development which is one of the 6 priority areas. The choice was strategically important due to the ethnic conflict that disrupted the Solomon Islands. Micro-projects were chosen as the aid modality to implement the 9th EDF since it was considered necessary to spread the effect of the resources and reach several islands and ethnic groups (990 islands in total) after the conflict. The interventions seem to have been strategic and well-founded on the national circumstances. The programmes seem to combine the poverty reduction and one of the 6 focal sectors combined with the necessity for post-conflict rehabilitation. **Overall poverty goal:** The overall goals of poverty reduction and post-conflict rehabilitation are closely linked in the Solomon Islands.

Ownership/Partnership

Reference is made in the CSP to the National Development Strategy which is also part of the CSP annex. There is however a risk that national ownership is undermined by the strong cultural, economical and political presence of Pacific powers and the EC interventions are consistently seeking to counter this by strengthening the institutional capacities of national actors.

The EC has tried to promote gender and a sustainable environmental policy and awareness but encountered difficulties on the level of culture and/or the economic dependency of the country on forestry. The MTR and CSP/RSP clearly mention environmental problems.

'Action programme based on results'

Not very detailed. Annual Operational Reports for 2001 and 2003 sought to improve this. However, there is hardly any reliable national data for the Solomon Islands. The logistic problems are enormous.

Comparative Advantages/Added Value.

The added value of the EC is argued for with the size of the financial envelopes which is substantial in comparison with the amount of inhabitants. The second element which gives the EC some advantage is the grant element of the assistance. Solomon Islands have decided not to take any foreign loans to rebuild the country after the ethnic conflict. This has kept the IFIs out in the cold. Thirdly, the political neutrality of the EC is appreciated by the country and other stakeholders. It is, however, clear that the geographical distance, the insignificance of social, political and economic interaction and the presence of Australia are restraining factors.

Three 'C's

There are few EU donors represented in the Solomon Islands/Pacific. The choice of sectors is claimed to be made on the criteria of other important donors' engagement (Australia, New Zealand and the UK).

Focal and non-focal areas of engagement

Due to unused Stabex envelope, a proposal was developed during the Mid term review process to go for 3 sectors (rural dev, transport and education). This is unusual in the sense that it breaks the principle of 1-2 focal sectors. The absorption capacity of any one or two focal sectors is however not sufficient to mobilise the funds available so a third sector was needed. (Allocated Stabex funds cannot be reallocated and the disbursements/commitment rates show that the Solomon Islands can use it)

DPS focal sectors	CSP	RSP Pacific
1. Trade and development		
2. Regional Integration and cooperation		F regional integration and cooperation (31%)
3. Macroeconomic policies and social sectors	Mentioned as a potential focal sector	

4. Transport			
5. Food security and sustainable rural development	F	Sustainable Rural Development 85% of A-envelope aimed at responding to the expressed needs of rural communities for social and social-economic development within their socio-cultural context	F One of the focal sectors in the RSP is strengthening human resource (28%) which aims at linking up with the national CSPs which often include similar components.
6. Institutional capacity building	NF	Direct Support to Non State Actors (15% of A-envelope)	

DPS Horizontal aspects		CSP		RSP Pacific
1. Human rights				Equal access for girls and boys in education and women to HRD
2. Gender equality				
3. Children's rights				
4. Environment		Environment is considered as a key component of all EC interventions	N F	Systematically addressed in all EC Financing Agreements Tertiary education and natural resource development account for 24%

Others, no emphasis in DPS	F	Fisheries (17%).
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22. South Africa

Evidence from the CSP (2003), (the SADC Regional Strategy Paper (2002), the South Africa Evaluation (2004) and the Annual Report 2003/53

Positioning of DPS

Framework for cooperation mentioned in CSP (MIPs 2000-2 & 2003-6): TEC Art. 177, TDCA (1999, Title V - Development Cooperation, Article 65), Regulation No. 1726/2000 (for budget line B7-320, financing development aid - the European Programme for Reconstruction and Development, EPRD), CPA (2000; qualified member, no access to financial instruments and preferential trade regime), DPS (2000), TEC on coordination and coherence. The SADC RSP (2002) also applies, but as SA has its own TDCA, special provisions apply (no financing from RIP, co-financing of regional projects from RIP & TDCA). The DPS is explicitly referred to in the CSP in the section on cooperation objectives (p.2), but EU development policy objectives are not referred to as criteria for choice of response strategy. In fact, the focal sectors are only partly in line with the DPS.

Overall Objective as stated in CSP

The overall objective of the CSP is "to support the SA policies and strategies to reduce inequality, poverty and vulnerability and to mitigate the HIV/AIDS pandemic and its impact on society" (p.1).

Overall poverty goal: The development chapter in the TDCA (Title V) focuses on the fight against poverty (CSP, p.12), and in line with this the overall objective of the CSP is "to support the SA policies and strategies to reduce inequality, poverty and vulnerability" (p.1). The recent SA-EU Cooperation Council (11/2004) "recommends that poverty alleviation should be addressed through a stronger focus on employment, equitable economic growth and sustainable development, both by increasing trade with third countries and developing the domestic economy".⁵⁴

Ownership/Partnership

The overall objective of the CSP is to support national policies and strategies to reduce inequality, poverty and vulnerability (p.1). The Regulation 1726/2000 for the budget line on

⁵³ In addition, two further documents (see footnotes 2 and 3) were consulted.

⁵⁴ The South Africa - EU Cooperation Council, "Revised Draft Conclusions on future South Africa - EU Cooperation", Brussels, 23.11.2004, p. REV5.

development cooperation with SA also states that “the Community shall implement financial and technical cooperation with SA to support the policies and reforms carried out by the SA authorities in a context of policy dialogue and partnership”. (CSP, p.2)

‘Action programme based on results’

CSP identifies performance indicators for different sectors and sources for verification, but does not cite assumptions.

Comparative Advantages/Added Value

Europe’s experience in trade, political, economic and development cooperation/ partnership with SA is considered valuable, as is ‘unrivalled expertise’ in supporting accession countries (challenge of economic growth in stable economic, social and political conditions) and European regional policy (transfer of resources).⁵⁵

Three ‘C’s

Development cooperation is part of a policy mix in the context of the TDCA, which covers trade, economic, political, social and cultural cooperation. The recent SA-EU Cooperation Council (11/2004) confirmed that “the overarching objective of cooperation between SA and Europe must remain the alleviation of poverty and that cooperation in all areas covered by the TDCA must contribute to this objective”.⁵⁶ MS bilateral and EIB programmes are referred to and listed in an Annex (2/A). The CSP also refers to the TEC article on coordination and coherence. (CSP, p.2)

Focal and non-focal areas of engagement

DPS focal sectors	CSP		RSP	
1. Trade and development			F	No financing from RIP for SA, but co-financing of regional projects
2. Regional integration and cooperation	F	<i>Promote active participation of SA in the regional integration process in the SADC region and to promote peace, democracy and good governance on the African continent</i>		
3. Macro-economic policies - <i>Equitable access to social services</i>				
4. Transport			F	No financing from RIP for SA, but co-financing of regional projects
5. Food security and sustainable rural development				
6. Institutional capacity building, incl. good governance & rule of law	CC CC	Capacity building and good governance are treated as cross-cutting issues	NF	<i>Capacity-building, co-financing of regional projects</i>
Involvement of NSA	CC	A minimum of 25% of overall EPRD resources allocated in different sectors should benefit NSA		Seen as crucial in SADC RSP

DPS Horizontal aspects	CSP		RSP	
Human rights (including Children’s rights)		Not specifically referred to as cross-cutting issue in CSP, though aspects of it (e.g. children’s and women’s rights) are part of focal sector ‘Deepening democracy’		
Gender equality	CC		CC	SADC RSP states that CC (such as gender and environment) will be mainstreamed in all programmes.
Environment	CC			

⁵⁵ European Commission, ‘Trade, Development and Cooperation Agreement Review - Implementation of new areas of cooperation’, Discussion paper (2004), p. 9.

⁵⁶ Ibid.

Conflict prevention...		Promoting peace, democracy and good governance on the African continent is part of focal sector regional integration and cooperation	NF	<i>Peace & Security/ conflict prevention</i>
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Others, no emphasis in DPS	F	Equitable access to and sustainable provision of social services: support government's implementation of policies to increase access to and use of social services for poor people to increase their quality of life. This includes: health sector (including HIV/AIDS), human resources development (=education and training), water and sanitation and the integration of orphans and children in vulnerable situations into social life.
	F	Equitable and sustainable economic growth: contribute to acceleration of growth, equity and employment.
	F	Deepening democracy: contribute to the strengthening of social capital and democratic values with a specific focus on local level.
	CC	HIV/AIDS is considered a cross-cutting issue, and is identified as the major threat to development progress in SA. HIV/AIDS is also identified as a major constraint to the region's economic development in the SADC RSP.

F = focal sector; NF = non-focal sector; CC = cross-cutting issue

Evaluation recommendations

Country strategy evaluation (2002) found that "EC assistance to SA under 7th and 8th EDF has been generally relevant and evidence of positive impact has emerged." Main recommendations include: Focus of the next MIP should be more on poverty reduction, with a core theme of sustainable livelihoods; Address cross-cutting constraints; Sector reviews of 'weak performers' should be carried out to improve effectiveness and impact; Integrate capacity building into short, medium, and long-term donor interventions; Define a coherent approach to supporting local development; EC capacity as a knowledge-based donor should be strengthened.

MTR recommendations

The 2003 MTR of EU-SA development cooperation concluded that EPRD is still relevant to the policies, strategies and development priorities of SA, and is contributing positively to the reduction of poverty, private sector development and the integration of SA into the global economy and region, and to the consolidation of the rule of law and the promotion of human rights (DP, p.3). It made a number of recommendations (including transition from project to sector support, strengthening institutional capacity building and stronger integration of gender and environment, DP p.4), but did not propose to change the focal sectors. There is therefore a strong element of continuity between the 2000-2002 and the 2003-2006 MIP. (CSP, p.16)

23. Suriname

Evidence from the CSP, Annual Reviews and interview with EC Desk officer

Positioning of DPS

The overall reference of the CSP is the Cotonou Agreement. There are explicit references to the development policy of the European Commission and the CSP states that financial resources (A-envelope) must be used within one of the focal sectors.

Overall Objective

The EC response programme (9th EDF) aims at improving competitiveness and facilitating trade by improving the efficiency of the transport sector as well as through capacity building of state and non-state actors. Improved regional integration and cooperation is another objective. **Overall poverty goal:** Poverty is fairly well analysed in the CSP but is (understandably) not the primary objective. The AOR 2002 highlights that there is a need in the CSP to establish the poverty lines.

Ownership/Partnership

Reference is made in the CSP to Suriname's development plan. The central objectives are growth and poverty reduction. Transport, one of the EC's sectors of intervention, is not among the main pillars of the governments Multi-Annual Development Programme. EC interventions are justified mainly because of the long track record in the sector of transport and the necessity of complementarity.

'Action programme based on results'

Rather general though the CSP intervention framework includes a category on performance indicators. These are however a mixture of needs and performance criteria. Major efforts have been put into improving this fact during the Annual Operational Reviews but data remains less than reliable.

Comparative Advantages/Added Value

The long record of EC interventions in the transport sector is claimed as the most striking added value.

Three 'C's

The analysis of coherence, coordination and complementarity is not among the main aspects of the CSP. With regard to coherence most references are to the WTO trade negotiations and requirements in the Cotonou Agreement. Complementarity is primarily analysed in relation to the two other big donors: the Netherlands and IDB. There are no remarks about coordination.

Focal and non-focal areas of engagement

The focal sector of the 9th EDF is transport. The consistency of EC intervention in transport sector is striking and has continued since the 6th EDF. The total EC contributions to development in Suriname total something like € 145m (excluding Sysmin and budget lines)⁵⁷. Institutional strengthening is one component of the interventions. The non-focal sector is capacity building of economic actors and regional integration.

During the 1990's, the main areas of EC cooperation with Suriname were:

- Support to Good Governance and democracy
- Structural adjustment support in form of technical assistance
- Support to infrastructure, road structure, support to the Road Authority, Ferry connection and the Regional Airport Program
- Support to the private sector (Regional Development Fund)
- Micro projects programme
- Environmental management programme
- Support to the rice sector
- Restructuring of the banana sector (budget line)

24. COMESA - Region of Eastern and Southern Africa and the Indian Ocean

Evidence from the RSP 2002-2007⁵⁸ and interviews with stakeholders

Positioning of DPS

The overall legal references are (i) Article 177 of the TEC and the Cotonou Agreement. The DPS is mentioned in between two paragraphs on the Cotonou Agreement. It seems as if the DPS paragraph has been injected. The paragraph on the DPS does, however, highlight the principle of concentration, the poverty focus, added value and the 6 focal sectors.⁵⁹

Overall Objective as stated in CSP

⁵⁷ CSP for Suriname and Country overview on EC website (last update: 21 January 2004)

⁵⁸ Annual Reviews and Mid Term Reviews foreseen in 2004.

⁵⁹ This seems to be a standard page used for most RSPs in the ACP region

The overall aim of the RSP is to increase economic growth and reduce poverty through higher levels of regional economic integration. The specific objective is that all 21 countries will become members of regional Free Trade Areas and/or a Customs Union; will improve implementation of WTO provisions; will start negotiations on EPAs; and will use the € 223 million allocated from the 9th EDF (2002-2007) to reduce poverty in the extremely heterogeneous and diverse countries.⁶⁰ **Overall poverty goal:** According to the RSP poverty reduction is among the overall priorities. The focal sectors and the planned programmes do however related more directly to the EU Treaty/Cotonou objectives: Integration of the region into the world economy and regional integration and cooperation. This focus makes sense in the geographical, political, economical and social diverse region. It also illustrates the potential conflict between the poverty focus of the DPS and the overall legal frameworks.

Ownership/Partnership

The analysis in the RSP take departure in the diversity of regional integration and cooperation process as well as the policy agendas of the region. The strategy and the identified sectors are in line with the regions policy agenda. The major problem with ownership is not so much at the strategic level but rather in the implementation of the programmes where EC/EDF procedures run counter to ownership.

'Action programme based on results'

The intervention framework of the RIP contains a number of indicators but are too broad and general to use for needs and performance assessments.

Comparative Advantages/Added Value

The RSP refers briefly to the necessity of concentrating interventions in areas where the EC has an added value but the choice of sectors and or programmes are not justified in terms of comparative advantages.

Three 'C's

The RSP explicitly analyse and underline the impact that for example the Common Agricultural Policy or the fishing agreements will have on the region. There are concerns about the incoherence and the negative impact such EU policies could have on the overall objectives.

Focal and non-focal areas of engagement

The following priority areas for EC support have been identified in the RSP:

- Economic Integration and Trade (45-55%) *supporting the region to move towards a larger and more unified market. The medium to long term aim is creation of a free area and future creation of a customs union*
- Natural resource management (15-25%) *aimed to improve the sustainable development of the region*
- Transport and communications (15-25%) *aimed at reducing the costs through improved utilisation of existing infrastructure and services.*
- Non-focal areas (10-15%) *of the cooperation include programmes in conflict prevention, resolution and management, capacity building, higher education and culture.*

These are all in line with the DPS focal sectors and/or cross-cutting issues.

25. Mercosur

Evidence from Latin America RSP-LA, Mercosur RSP-M (2002-2006), and Mercosur Evaluation (2004)

⁶⁰ Regional Strategy Paper and Regional Indicative Programme for the Eastern and Southern Africa and the Indian Ocean, June 2000

Positioning of DPS

Framework for cooperation mentioned: TEC Art. 177, RSP-LA (2002-06); and Interregional Framework Agreement (1995); Memorandum of Understanding/MOU (2001). DPS is mentioned in RSP-M and RSP-LA.

Overall Objective as stated in RSP-M

Addresses 3 challenges: 1) complete internal market; 2) strengthen Mercosur institutions, and 3) integration into regional and international context (i.e., prepare for EU-Mercosur Assoc. Agreement) Overall poverty goal: Mentioned, but it is not clearly the overriding objective. In RSP-LA, poverty reduction is seen in terms of social cohesion, focused on reducing inequality. RSP-Mercosur does not include this as a general or specific aim. RSP-M does note it should be in line with DPS' poverty reduction goal, but it does not specify how that should be done. The closest it gets is in relation to "social dimension of Mercosur", but this fundamentally deals with institution-building aspects; only indirect result is with regards to improving common policies on education.

Ownership/Partnership

RSP-M is based on a Motion of Understanding between the EC and Mercosur and on joint declaration at the 2nd EU-Latin America and Caribbean summit in 2002, so Mercosur seems to be quite integrated into preparation of strategy.

'Action programme based on results'

3 main priorities outlined in regional indicative programme with very vague objectives, indicators and results.

Comparative Advantages/Added Value

RSP-M notes EU's own integration model as a key comparative advantage in assisting Mercosur integration.

Three 'C's

Coherence with other EU policies: RSP-M notes it forms part of "policy mix" and that respect for democratic principles, rule of law and good governance are cornerstone of EU-Mercosur ties. With respect to trade, cooperation may help bi-regional negotiations. The CAP is mentioned as a problem, but the RSP states the recent reform improved the situation considerably. *Complementarity:* No mention found. *Co-ordination:* No mention found, although Annex IX includes matrix of donors, showing EC is only significant donor.

Focal and non-focal areas of engagement

Financial Indicative Amount: RSP-M 42.7 million euro (2002-06)

DPS focal sectors		RSP-M
1. Trade and development	F	Support for Internal market (50%)
2. Regional integration and cooperation	F	Mercosur institutions – economic integration (25%)
3. Macro-economic policies - <i>Equitable access to social services</i>		
4. Transport		
5. Food security and sustainable rural development		
6. Institutional capacity building, incl. good governance & rule of law	F	Mercosur institutionalization and role of civil society (25%)

DPS Horizontal aspects		RSP-M
Human rights		Mentioned in MoU
Gender equality		Mentioned in MoU
Children's rights		
Environment		Mentioned in MoU

Others, no emphasis in DPS		

F = focal sector; NF = non-focal sector

*Percentage of indicative programme.

Main findings of evaluation (2004):

Poor impact of the programming: RSP-M was not very favourable for Mercosur integration model nor was it able to confront the regions' uncertainties. There was only limited impact on civil society participation. EC aid facilitated trade links, but mostly within Mercosur. The EU's policy was found to be incoherent: EU protectionism limited Mercosur's capacity to enter the EU market and the strategy could not overcome this problem. Assistance was criticised for short-termism: Bilateral programs in Mercosur countries were relevant for integration goal, but many initiatives deal with short-term problems of integration and not capacity-building. Assistance, however, helped to strengthening Mercosur negotiating capacity. Management was not very efficient. Another critical point was the ownership: Participation of Mercosur was limited in programming and execution stages, although EC aid conforms to Mercosur needs and demands.

The **DPS** was not considered as reference in the evaluation, although it does deal with focal areas, coordination and coherence issues. On cross-cutting issues, it only analyses the environment for which the EC does not have a region-wide strategy. In addition there is some concern shown for asymmetries between countries in the RSP-M.

C. Analysis of DPS in Main European Commission Development Policy Areas

As seen in a series of 'key documents' on focal areas, cross-cutting issues and new policy areas that emerged after the DPS

1. Context and objectives

This report aims to assess the Development Policy Statement using a variety of analytical tools, some of which are based on stakeholders' perceptions and others on different types of evidence collected by the research team. In the latter case, evidence from other policy documents is useful for our analysis because one way to understand the DPS's influence is to trace its utilization in them. This conclusion is based on the premise that the DPS is a high-level statement which should be taken into consideration in the specific texts on sectors, strategies, action plans, etc., which came out afterwards. The following analysis, however, is not intended to be definitive as it is clear that it is often next to impossible to determine a direct relationship between the DPS and other texts. What can be determined is the extent to which the DPS *appeared* to be a major reference point, as well as how it is used; that is valuable information for making an assessment, although it must be used together with data from other sources and tools to construct as complete a picture as possible.

On this basis, we have selected four distinct types of documents produced by (or for) the European Commission:

- 1) General policy documents dealing with broad issue areas;
- 2) Policy documents relating to the DPS focal areas;
- 3) Policy documents on the DPS cross-cutting issues, and;
- 4) Documents on new policy themes.

In addition, we chose a fifth category of documents prepared by entities outside the Community (integrated as a separate area of the first type). The sum is a representative sample of the policy documents produced since the DPS came out (list at end of this Annex), although it does not include the complete universe (see Annex D for a more complete list). For instance, regionally-based policy documents are not included—they are dealt with to some extent in the preceding Annex—, and with regards to external texts, we limited our scope to those considered to be major expressions of outside perceptions of the DPS.

2. Review of Selected Policy Documents related with the DPS

2.1. General policy documents dealing with broad issue areas

For this type, several documents from the European Commission were reviewed. A number of them are not directly linked with the DPS, although they may contain relevant information or analysis.

The first two texts refer to key international references in the development field: the Millennium Development Goals (MDGs) and the Monterrey Consensus on financing for development.

Although they became important after the DPS was approved, the MDGs are considered today to be the basis for the present international donor consensus. For that reason, it is useful to explore their links with the Declaration through a review of the *European Commission Report on Millennium Development Goals 2000-2004* (Commission Staff Working Document, Brussels 29.19.2004 [SEC(2004)1379]), one of the clearest expression of the increasing work by the EC on this theme. Report notes that MDGs were not in the DPS

due to a problem of sequencing (EC document which forms the basis of the DPS was produced in April 2000, several months before the Millennium Declaration). However, the report argues that the DPS is a “single overall framework” for EC development policy focused on poverty reduction, and as such is fully compatible with the MDG framework. The EC has increased its focus and attention to the MDGs over the last few years. The Annual Reports on Development Policy and External Assistance dedicate specific chapters to the MDGs and monitor progress to the extent possible. In fact, MDG-based indicators have been integrated into recent CSPs and RSPs, although mainly in the ACP. In addition, various interventions (e.g., budget support, transport, conflict prevention-development link) create a conducive climate for achieving MDGs. The most relevant parts of the report refer to Goal 8, particularly regarding policy coherence, where, among other things, the EC proposes a more development friendly outcome of bilateral and multilateral trade negotiations and implementation of the Common Agricultural Policy reforms. Discussions and negotiations on the various EC proposals to achieve the MDGs could run in parallel with a revision of the DPS.

Another major international reference point for the donor community was the so-called Monterrey Consensus, based on the international conference held in 2002. Shortly afterwards, the EU committed itself to increasing aid levels in the Barcelona Council meeting. In 2004, the EC produced a communication on how to implement this: *Translating the Monterrey Consensus into Practice. The Contribution by the European Union* (COM(2004) 150, 05.03.2004). This thought provoking report is mostly relevant to the future DPS while illustrating the limited progress on coordination and complementarity. It stresses the need for greater EU donor coordination (on this it recognizes that there is a need to go beyond good intentions), a common framework for aid implementation procedures and an action plan for coordination and harmonization. It is perhaps one of the few policy documents that deals (indirectly) with the possibility of constructing a truly EU-wide development policy –a long term goal for any new DPS—, although it indicates some areas of problems between the EC and the MS. The Monterrey report was received with scepticism by some EU Member States but resulted in the establishment of the Ad Hoc working Group on Harmonization. The European Council subsequently adopted the Working Groups report *Advancing Coordination, Harmonization and Alignment* in November 2004.

The Report will feed into the High Level Forum on Harmonization to be held in April 2005. It provides some good forward looking suggestions which could feed in to a new DPS. All EU Member States and the Commission agree that alignment with the partner countries’ own procedures, policies and systems would be the ultimate means to promote aid effectiveness. This is a strategically important starting point which brings with it a number of options and possible initiatives. The main constraints to advancing harmonization, alignment and the 3 C’s are the limited political will and interest in implementing the legal requirements in the treaties. It is unlikely that substantial advances will be made without high level political backing. The two forthcoming international conferences on harmonization and the MDGs might mobilise the momentum needed.

One of the main issues concerning developing countries in their ties with the EU is how the most recent Enlargement process will affect EU development policy. To respond to this legitimate concern, the Commission produced a report in 2003, *The Consequences of Enlargement for Development Policy* (Development Strategies, September), which seems to be mainly aimed at the new Member States. It is important for DPS in that it highlights the need to bring new MS into the EU development strategy, particularly as regards the poverty reduction overriding objective. In that regard, it provides an overview of key policy documents, showing how the DPS –considered “soft law” (i.e., legally speaking, it is less binding than any Council/Parliament Regulation) – fits in with the treaties, the CPA and other EU law. Finally, it seems clear that a new Declaration must take into account the main concerns and comparative advantages that the new MS bring with them.

With regards to improving coordination, the Commission recently carried out a mapping exercise to ascertain where the EC and the MS are providing aid in terms of countries and sectors. The *EU Donor Atlas. Mapping Official Development Assistance* (Development Strategies, May 2004) is indirectly related to the DPS in the sense that it shows –as far as the

available data permit— the similarities and differences between the aid profiles of the EC and the MS. The Donor Atlas may help the Commission in understanding with which MS it can work more closely in each country or sector, but beyond that it does not provide much useful information about how the 2000 DPS principles and focal sectors have been implemented across the EU. The EU Donor Atlas clearly justifies the need for wider EU coordination and complementarity. It could thus be used as a justification for preparing a new DPS but the usefulness is reduced due to the focus on financial flows (input). The report needs to be balanced with information and data about the specific expertise of EU Member States and more debates about how to improve results, impact and sustainability.

Perhaps a more useful indicator of how the DPS has been internalized can be found in the Mid-Term Reviews since the CSPs and RSPs that came out in 2001-2002 were largely based on prior commitments and other policy frameworks. For this purpose a key document is the EC document, *Guidelines for 2004 Mid-Term Reviews under the ACP-EC Partnership Agreement* (Brussels, 16.10.2003, A1*2(03)D/5533). This text provides a practical example of the lack of consistency between the principle of concentration included in the DPS and implementation experience since then (i.e., with regards to new policy commitments and initiatives which should be integrated into the MTRs and adapted to existing focal areas or may even result in changing focal areas).

Two external documents were analysed because of their significance for Community development policy. The first is the United Kingdom's *House of Lords EU Select Committee Report on EU Development Aid in Transition* from April 2004. This upper house of the UK Parliament has been one of the most active member state legislative bodies in reviewing EU development policy over the years and its reports are influential not just in this country, but also in the rest of the Union. These reports stem from broad consultations of a variety of stakeholders (although UK institutions logically predominate), providing them with considerable legitimacy.

With regards to the DPS, there are numerous references, both in the report and in the minutes of evidence from various institutions. The DPS is seen as the first of a series of measures taken in the aid reform programme which began in 2000. Nonetheless, the report argues that the "EC should **review the 2000 DPS** so as to ensure [...] 'its continued relevance and to clarify its role in guiding the future direction of EU aid'" for all developing regions. This recognition that the EC may work in relatively well-off countries is accompanied by worries about greater consistency. However, as one of the main concerns of the House of Lords (HoL) has been the extent to which the EC puts the poverty reduction goal in practice, it criticizes the large amounts spend on the "near abroad". In this same line, the HoL report notes that the DPS is generally appreciated and has "provided helpful guidance to the Commission, on how it should be spending its aid money, with a **welcome emphasis on poverty reduction.**"

Chapter 10 of the HoL report includes a list of 9 comparative advantages of EU aid, concluding that "...the benefits of EU aid outweigh the possible advantages of 'repatriating' it to national aid budgets..." These do not coincide, however, with the list in the DPS. They include such ideas such as its political neutrality, experience in dealing with middle income countries, acting as a common front for the whole EU in sensitive areas like human rights and good governance, economies of scale, etc.

Of the various observations made in the minutes of evidence, the following is particularly relevant:

- British NGO platform (BOND) criticism of the fact that poverty focus is not matched by allocation of funds and its allegation that **gender mainstreaming** has been more rhetorical than real.
- Recognition by DAC Chair that DPS is an important step in improving **poverty focus of EC aid**. He also noted that EC should specialise, so **focal areas make sense**. Coordination, while important, should be done from "bottom up" and EU framework may not always make sense.
- Statement by AIDCO official that **DPS was starting point for reform**, contributing to 'tidying up' the process.

- DFID's comments to the effect that DPS is not the only policy document guiding use of EC funds and that there remains a complex web of commitments that need to be more coherent. The EC should also have a **tighter focus** and not spread resources too thinly across many issue areas and countries; for that a new DPS might be necessary.
- Ethiopian Embassy considered the DPS to have large impact on aid allocation, strengthening the poverty focus. **Focal areas were important** for EC programming there.

The second document we reviewed is the *OECD Development Assistance Committee (DAC) Review of European Community Development Cooperation* in 2002. This is the first "peer review" carried out since the DPS came out and since it is a DAC study it represents the consensus view of the donor community on EC aid. It is also important because the 1998 review was strongly critical of EC aid, so the 2002 report provides a positive contrast, explained at least in part by the DPS which contributed to improving the overall policy framework. In particular, the DPS was seen as addressing the need for greater poverty orientation, as well as dealing with policy coherence issues. DAC Review sees choice of sectors and cross-cutting issues positively.

A follow-up Mid-Term Review was carried out in mid 2004. It reiterates some points from the 2002 report, but also cautions that the poverty reduction goal is not universally applied: it is well-integrated into ACP programmes, but "decreasingly so as one moves to" other regional programmes. The DAC notes that it is necessary to create a clear link between the DPS and other policy frameworks and instruments, taking into account different needs of each partner region. This MTR puts stress also on focusing attention on achieving the MDGs. On the issue of inter-institutional relations the report notes that there should be a broader agreement between the EC and the European Parliament on overall aid objectives.

2.2. Policy documents relating to the DPS focal areas

One useful way to assess the relevance of the DPS is review how the six focal areas (trade and development, regional integration and co-operation, support for macroeconomic policies and equitable access to social services, transport, food security and sustainable rural development and institutional capacity-building) have appeared in subsequent EC policy documents. For this purpose, we analyze a number of texts for each of the six areas.

In general, it can be stated that the link between **trade and development** was insufficiently dealt with in EC policy texts prior to the DPS. The fact that it placed this as one of the six focal areas contributed to deep policy reflections that resulted, finally in the EC communication, *Trade and Development. Assisting Developing Countries to Benefit from Trade* (Brussels, 18.09.2002 [COM(2002)513]). This text makes a specific linkage between trade and fostering growth and reducing poverty and it deals with another focal area, support for macroeconomic policies, a key condition for successful trade policy. The communication also takes on the DPS principle of developing country ownership and with the aim of improving internal coherence, establishes an EC inter-service task force on trade and development. With regards to the poverty goal, it commits the EC to strengthening the World Trade Organization (WTO) integrated framework for LDCs. This communication also refers to the importance of regional co-operation for the trade and development goals, although it puts greater stress on the multilateral system. In terms of instruments, this text includes a long section on Trade-Related Assistance (TRA), which is seen to be a good way to integrate trade into development strategies.

At about the same time, the EC financed an evaluation on economic co-operation (*Clarifying the definitions of EC economic co-operation with third countries. Final Report, August 2002. ADE, s.a.*). This study showed how this instrument had been defined in many different ways across the Commission, because it is based on regional policy frameworks and not on an overall strategy (i.e., the DPS does not mention this). Some of the definitions used may be linked with DPS focal areas (i.e., trade facilitation, improvement of economic and institutional framework), but others clearly are not tied (i.e., direct support for private enterprises, cultural co-operation). In any case, this review is a good example of how some aid instruments have a

“history of their own” that the DPS has not been able to modify in a significant manner, contributing to serious inconsistencies in EU development policy.

In 2004 the Commission published an evaluation of its main trade and development instrument, TRA (*Evaluation of Trade-Related Assistance by the European Commission in Third Countries. Final Report. Vol. 1. ADE, s.a.*). This evaluation sought to identify key lessons from experience, assess programming at the time and formulate operational recommendations. It notes that TRA has only recently been systematized as an aid instrument. In its methodological chapter, it analyses how the DPS is related to other development and trade policy documents, noting that it is key, even though more stress seems to be put on the TEC and regional policy statements. The evaluators found that aid programming documents (i.e., CSPs) do not include a systematic presentation of trade policy and performance issues; when they do, generally aid is more effective. It also noted efforts to improve partner country ownership of trade and development policy reflections. On the other hand, little efforts were made to articulate EC assistance with other donors (complementarity) and TRA interventions often do not take into account overall EC objectives (coherence). Finally, the evaluation found that the TRA does not integrate cross-cutting issues to a great extent (in part, because partners reject this as an imposition), with the exception of the environment.

Although **regional integration and co-operation** might be considered an area of clear comparative advantage for the Community, the EC has not produced an overall policy strategy for this focal area. Instead, this area is dealt with, in varying ways, through the regional policy frameworks where it is often one of the main objectives. Since RSPs are considered in Annex B, the only relevant documents available are evaluations on regional cooperation efforts carried out since the 2000 DPS. Although at present several evaluations are in progress, only two have been published. The first is the *Evaluation of the Regional Co-operation between the PALOP (African Portuguese Speaking) countries and the EU* (April 2001, Luso Consult Mgmt. GmbH). It notes that individual projects are often not based on a clear regional strategy and that little effort was made to link national priorities with regional objectives. The DPS was not mentioned in this evaluation which came out only months afterward.

A better indicator of the DPS’s influence might be found in the *Evaluation of EC Support to Mercosur* (May 2004, DRN/ADE/ECO/NCG). It covers a ten-year period, 1992-2002 and its main findings were that the RSP for Mercosur was not very favourable or this subregion’s integration model. On the other hand, EC interventions facilitated trade links between these countries. One major problem was the lack of coherence between the regional cooperation goal and the EU’s restrictions on market access; the RSP did nothing to overcome this. The DPS is not considered as a reference in the evaluation, although it does deal with focal areas, coordination and coherence issues. On cross-cutting issues, it only analyses the environment, although the EC does not have a region-wide strategy for this. Poverty reduction is not given attention, although the evaluation does note the concern in the RSP for asymmetries between Mercosur countries.

There is also no overall EC policy statement on **support for macroeconomic policies and equitable access to social services**. Two main sources of information on macroeconomic support were the EuropeAid Annual Reports for 2002 and 2003 and some regional evaluations (MEDA), while there are some relevant policy statements and evaluations related to equitable access to social services.

As regards the first part of this dual focal area, the main instrument for macroeconomic policy has been budget support, although this has not been applied much outside of the ACP; in other regions, aid is linked with specific structural reforms and programmes supported by the IFIs. In addition to its direct objectives, budget support is seen as essential for broader poverty reduction goal. In fact, in LDCs, budget support is linked with implementation of the PRSP, and it also should contribute to greater governmental accountability in partner countries. Finally, it should be noted that many EC officials do not consider macroeconomic support to be a focal sector, but an aid instrument, and in practice the second part, social services, has become more important given its close links with the MDGs.

Indeed, that second part assumed considerable relevance in the post DPS period because the Declaration was criticized for not placing sufficient emphasis on social sectors (particularly by the European Parliament). The fact that this part is more closely tied with the MDGs has also contributed to raising its profile in terms of subsequent policy documents. However, in that same line, various EC documents make more reference to the MDGs than to the DPS as principle reference points. In this area, two sectors stand out: health and education. One of the main efforts in this area was the EC Communication on *Health and Poverty* (2002) and the Council resolution on the same topic. Another important text is the *Programme of Action to combat communicable diseases* of 2001. The result of these documents was to create a single Community policy framework for health and development. Even so, an evaluation of Population and development oriented programmes (2004) found the EC needed to enhance the poverty focus and link them better with other development objectives. An evaluation of health programmes in various regions in 2002 had a similar conclusion; in addition, it argued that policy documents such as the DPS should provide greater operational measures. With regards to education, again the MDGs are the main point of reference, and gender equality is a key component. For this purpose the EC produced a communication in 2002, Education and training in the context of poverty reduction in developing countries, which establishes an overall policy strategy. An evaluation of education interventions in the ACP cited the need to work more on policy environment, use sector-wide approach selectively and emphasize capacity-building. Education programmes should also include specific measures targeted on the poor and on girls. Finally, the evaluation notes the EC could play a more important role in donor coordination in this area.

EC policy on the fourth focal area, **transport infrastructure**, has been built up over a period of over a decade. In fact, it may be one of the first areas in which the Community adopted a truly sectoral approach. One of the main documents, Promoting Sustainable Development in Development Cooperation (COM(2000) 422, 06.07.2000) came out before the DPS and uses Art. 177 of the TEC as its main point of reference. It highlights the poverty reduction goal and refers to focal areas such as regional integration and cross-cutting issues such as the environment as important considerations. A Council resolution in 2001 reaffirms the principles in this communication and makes a specific link with the DPS's poverty reduction goal. Interventions in this area were assessed in an evaluation that came out in 2004. This evaluation notes the inconsistencies in approaches across regions. In this regard, partnership is important in the ACP while the EC does not have a continuous dialogue with partners in other zones. Although project documents often argue that interventions are relevant to poverty, in few cases has a direct link been made. Environmental mainstreaming through impact assessments has been piecemeal. Other cross-cutting issues such as gender are not even considered.

In the 2004 Annual Report, it is noted that transport is a focal area in 32 ACP countries and 3 regional programmes, showing that it is quite relevant in relative terms. The MDGs report (see above, 2004) also mentions transport as contributing significantly to "effective delivery of basic services."

Food security and sustainable rural development, the fifth focal area, also has a fairly long tradition within Community development assistance. The food security budget line was created in 1996. Three main documents are considered here. First, a document prepared for World Food Summit+5 in November 2001: "Fighting Hunger: Food Security at the Heart of Poverty Reduction: The European Community's vision and approach" [DEVB.4, September 2001]. This text explains the concept of food security and how it contributes to the overall poverty reduction goal. DPS is not cited, although focal areas, ownership and coherence are mentioned. A second document is the Commission communication, *Fighting Rural Poverty: EC policy and approach to rural development and sustainable natural resources management in developing countries* [COM(2002)429, 27.07.2002]. Again, poverty reduction is noted as central development policy goal; poverty and hunger are seen as mainly rural problems. This communication also deals with the related cross-cutting issue of environmental degradation. Of six policy areas mentioned in Communication, two relate directly to other DPS focal areas: support for macroeconomic policy and institution-building. The communication also deals with the issue of policy coherence. The final document considered is an evaluation of the food security budget line published in 2004. Among other conclusions, this evaluation found that

interventions financed through this line have a strong focus on poverty reduction. Food security was also considered to be coherent with broader EC development policy and is mainly based on partner countries' national strategies. It recommends, however, that food security be better integrated into CSPs/RSPs.

The Community has no specific policy strategy for the sixth focal area, **institutional capacity-building**, at least with this terminology. However, the description in the DPS includes aspects such as good governance, democracy and the rule of law which are dealt with in EC policy documents. The most relevant document for this purpose is the 2003 communication on *Governance and development* [COM(2003) 613], which forwards a broad definition of this concept: "rules, processes, and behaviour by which interests are articulated, resources are managed and power is exercised in society". The Cotonou Agreement includes a narrower definition, linking it more closely with development goals. Dialogue with partner countries is an important ingredient in fostering governance in both the CPA and the 2003 communication. EU-Latin American and Caribbean summits include governance as one of the two regions' "common values". Although here it is dealt with as a focal area, in practice governance is often treated as a cross-cutting issue, so it is included in numerous development policy texts.

2.3. Policy documents on the DPS cross-cutting issues

The DPS included four horizontal or cross-cutting issues that should be integrated into aid programming: Gender equality, human rights, the rights of children and the environmental dimension. With regards to **gender equality**, this cross-cutting issue can be traced back to before the preparations for the 1995 World Conference on Women. From that point on, gender mainstreaming was a constant component of EC development policy statements. In the same year the DPS came out, the Commission approved an overall strategy on gender equality, converting it into a horizontal aspect for all policy areas. This, together with the DPS, set the stage for a new phase in policy on equality between men and women, with the goal of providing operational guidelines. For this purpose, a Programme of Action was approved by the EC in 2001. Its aim was to promote gender mainstreaming throughout the DPS's six focal areas and in country programmes and projects –based on local ownership—, in addition to building institutional capacity to support these efforts. In 2003 the EC carried out an evaluation on gender equality policy. It concluded that the policy framework was solid, but that the results were relatively meagre. Problems included poor dissemination, inconsistent application, limited staffing, and, particularly, the "utilitarian approach" taken by the DPS (i.e., gender mainstreaming is interesting inasmuch as it contributes to poverty reduction goal). In sum, gender mainstreaming was present in rhetoric and formally included in most documents including the CSPs, but was not truly a cross-cutting issue nor did it form part of the dialogue with partners. These conclusions lead the Commission to approve a new Regulation in 2004 which attempts to strengthen operational aspects of gender mainstreaming.

Human rights are arguably one of the most systematically-developed cross-cutting issues dating back to the late 1980s. In 1991 a key resolution on human rights, democracy and development was approved. Since then, the promotion and defence of human rights has been integrated, almost systematically, in many co-operation agreements with third countries. In the late 1990s, the European Initiative for Democracy and Human Rights (EIDHR) was created, in order to create a unique and coherent specific instrument valid across all developing regions. A few months after the DPS was approved, the EC published a general communication, *EU's Role in Promoting Human Rights and Democratization in Third Countries* (May 2001), which aimed to provide a coherent overall strategy for this area. This communication mentions the DPS and makes a specific link between the overall poverty objective and human rights goals. It also underlines the concentration principle present in the DPS, and stresses the need for greater coherence and consistency. With regards to ownership, the communication notes the need to integrate human rights issues into policy dialogue with partners. This last idea is built upon in a later document on implementation of the EIDHR (2004) which focused on mainstreaming challenges.

The overall issue of **children's rights** is not the subject for any EC specific policy document. However, one aspect of this broad area has received considerable attention: children in situations of armed conflict. In fact in 2003 the EC approved specific policy guidelines for interventions in this area. The EC has also worked with Latin American countries more generally on promoting children's rights in international for a.

EC reflections and policy analysis related to the fourth horizontal issue included in the DPS, the **environmental dimension**, can be traced to the Rio Summit on development and the environment in 1992. This cross-cutting issue also received considerable attention in the overall framework for all Community policies launched in 1998. In this sense, the DPS is yet another instance where the environment-development nexus is cited. Several texts were approved after the DPS, and were mostly linked with the World Summit on Sustainable Development in 2002. These include the communications, *Ten Years after Rio: Preparing the World Summit on Sustainable Development* [COM(2001)53] and *Towards a Global Partnership for Sustainable Development* [COM(2002)]. These documents include numerous priorities and objectives, some quite broad (harnessing globalization) and others quite precise (promoting the decent work agenda). The reference point in all cases seems to be the MDGs, in particular Goal 7.

2.4. Documents on new policy themes

Security aspects are largely absent from the 2000 DPS, although this text does make a link between poverty and conflicts. Conflict prevention --which is closely related to security concerns--, has received more attention in development policy discussions, although it emerged from the Common Foreign and Security Policy 'pillar'. The main policy document for this is the April 2001 communication: Conflict Prevention: Commission initiative to improve EU's civilian intervention capacities. Two objectives are related to DPS: (i) a more systematic and co-ordinated use of Community instruments, in particular of external co-operation programmes; and (ii) improve the efficiency of actions by developing specific methods to identify and fight against the root causes of conflicts at an early stage.

Security does appear in a more specific manner in relation to development concerns in the staff guidelines for preparing CSPs in the year 2001, a turning point in this area due to 9/11 and its aftermath ("war on terror", Aghanistan, Iraq, etc.). This lead eventually to the 2003 European security doctrine which states that "security is a precondition for development" and provides a holistic definition with links to the "human security" concept, although some EU development agencies would like the opposite relation also to be made (i.e., development provides people with security). In the more purely development field, the 2002 "Check-list for Root Causes of Conflict" refers to several issues covered in the DPS including the rule of law, institutional capacity and macroeconomic situation.

With regards to **migration**, this issue has emerged strongly in the last few years, largely linked with security concerns in the post 9/11 period. The main policy document in this area is the EC communication, *Integrating Migration in the EU's Relations with Third Countries*. [COM(2002)707, 3.12.2002]. It cites the importance of overall policy coherence and of dialogue with partner countries in order to persuade them to control their emigration flows to the EU. The long term goal of this policy should be to address the root causes of migration; for this purpose development co-operation can play an important role. This communication makes clear links to the DPS in terms of analysing how migration is tied to four focal areas (trade, regional co-operation, institution-building and food security) and, more broadly, to cross-cutting issues. It also notes that migration should be integrated into programming exercises.

Finally, we consider two documents related to **non-state actors** in EC development policy. NSAs. The first is the *Participation of Non-State Actors in EC Development Policy* (2002). This is an attempt to bring together in a single policy statement the policies developed in numerous regional frameworks. It is based on the participation and ownership principles enshrined in the DPS. With regards to the poverty goal, this is not mentioned, although the MDGs are cited. This communication also deals with coordination mechanisms in a fairly

indirect manner. The second text is an evaluation of *EC support to Private sector development in third countries* published in May, 2004. This evaluation makes a direct link with the DPS focal area of support for macroeconomic policies which contribute to a better business climate in developing countries. Little policy coherence exists and intra-EU coordination has been weak so far.

3. Some Findings from the Document Review

These findings must be taken in perspective given that they are based exclusively on a desk study because we do not consider all the possible texts that are relevant to the topic (it would probably be next to impossible, but also of questionable utility). We do not propose to assess the adequacy or quality of any of the documents reviewed, since this does not form part of the study's objectives. Our main goal in this section is to ascertain the extent to which the DPS as well as its main principles and components have played a role in guiding subsequent development policy documents as well as how these texts and others from emerging policy areas relate to the DPS.

Position of the DPS:

- The DPS is directly cited in the majority of the documents reviewed (even some that do not come out of the development policymaking bodies).
- However, as occurs with CSPs and RSPs, the mention of the DPS often does not go beyond the merely formal. There are some exceptions where direct links are made to various parts of the DPS.
- Increasingly, in many of the texts analysed, the DPS seems to be supplanted by other development policy references, most particularly the Millennium Development Goals.
- Many principles, focal areas and cross-cutting issues in the DPS were the object of considerable policy debate and the development of strategic framework a number of years prior to the DPS.
- This does not mean the DPS is irrelevant nor that it is just a summing up of what already existed
- Indeed, the DPS seems to have given renewed impetus to a number of policy areas,
- And, most importantly, it contributed to a greater sensitivity about the linkages existing between sectors and issues and principles.
- Both the MDGs and the Monterrey Consensus highlight, by way of contrast, the lack of specific goals and indicators in the DPS, contributing to their being generally considered more relevant internationally.

Overall objectives and poverty focus:

- The poverty reduction goal in the DPS was not reflected in a previous series of deep policy discussions nor was it based on a broad set of policy communications.
- Despite this, some limited efforts were made to develop more precise guidelines for programming in relation to poverty reduction.

Ownership/Partnership:

- The report on the consequences of enlargement stresses the need to integrate new MS into poverty reduction consensus, although a new DPS will have to also adapt to their interests and capacities.

Focal and non-focal sectors:

- Focal areas selected by the DPS were not, in general, well-developed before the Declaration.
- It is this part of the DPS which seems to be the most novel contribution to the development of policy document "library" that was created since 2000.

Cross-cutting issues:

- Cross-cutting issues included in the DPS are the parts of the document that most clearly pre-date the declaration and which were most developed in terms of the number and depth of policy and programming documents.

Three 'C's

- The DPS provides little in terms of guidance for applying 3 C's, although it contributed to their being included in many policy documents.

D. Views of Actors

1. Interviews

1.1. The European commission

1.1.1. Directorate General for Development

8 respondents.

Key points raised:

- The principles of the DPS are more widely recognised and considered useful than the DPS as such. Human and social development should be included. Support from the hierarchy in the communication of the current DPS could have been stronger.
- Risk that development policy will be more driven by the political agenda and priorities (poverty focus) could change. Development should not be isolated, but should also not be subservient to other external policies. The different priorities and commitments of the EC and EU should be clarified politically
- Poverty is a wide concept. Poverty focus is more strongly integrated in ACP than Relex CSPs/RSPs. DPS should be more practical/operational on the goals of policy (work plan and resources).
- Mainstreaming of cross-cutting issues not yet convincing. Obstacles are implementation weaknesses (capacity problem) and resistances in some countries. HIV/AIDS needs to be included for many countries.
- EC comparative advantages mentioned: greater political neutrality (not being a former colonial power), advantage of collective action, economies of scale, grant nature of assistance.
- Concentration and clarity on what the EC can do are useful, but mixed views about focal sectors selected. Analysis of their poverty impact and relevant indicators to be strengthened. Sectors should be defined country/regional level to allow EC to respond to partner country needs.
- EU DPS desirable but unrealistic. Complementarity on a country-by country basis, and also between MS.
- Process of formulating new DPS should be participatory and bring everyone on board. Not a top-down approach done in too much of a hurry.

Interview Question	Response
0. Familiarity with the DPS and what constitutes a successful DPS	<ul style="list-style-type: none"> • Respondents tended to be familiar with the statement as such to varying degrees, depending on where they worked in 2000. However, all were familiar with the main principles contained. <p><u>General views:</u></p> <ul style="list-style-type: none"> • Principles were useful (poverty, concentration, 6 focal sectors, cross-cutting issues,...) and trickled down to the field, though statement as such

	<p>perhaps less.</p> <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent, who was in a delegation during the launch of the 2000 DPS, felt that the statement was far from the preoccupations of the operational people dealing with implementation (statement far from the realities on the ground), but that its principles were seen as useful. Probably the most useful was the shift from programming to the emphasis on strategy. • Another felt that the main contribution of the DPS was the extent to which it gave an impetus to coordination between the EC and locally present EU MS (as the fact that the DPS was a joint council and commission statement gave it some weight), and said that the strategic importance of the DPS had more to do with the principles of multi-annual, rolling programming, focus on results, and concentration in focal sectors than the reference to poverty, the 3 C's and the cross-cutting issues. • Another respondent felt that the DPS as an attempt to rationalise and concentrate in a limited number of sectors where the Commission is good was a useful tool, but also not much more than a codification of existing practices (six areas very widely formulated, focus on poverty reduction useful but allows you to do almost anything, differences between DEV and Relex still there) which didn't introduce a 'big bang' change in the country strategy the respondent worked on. The respondent felt that regarding the communication of the DPS, policy support from the hierarchy could have been stronger. • Another respondent emphasised that it was important to make the distinction between the April COM and the November Joint Statement, and cited as a big lack in the current DPS the fact that Human and social development doesn't appear clearly and the Commission is obliged to use budget support to refer to social sectors (budget support is not the only tool for support to social sectors), although this has never prevented the Commission from having programmes in health and education. The respondent felt that: 1. In a public statement, human and social development should be high on the agenda. 2. Even if there is a good declared policy, the translation into practice is also important.
<p>1. EC Development Policy in broader framework of external actions</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Most respondents felt that there is a risk that development policy will be more driven by the political agenda than before (fear that it has fallen behind), given new concerns such as security and terrorism, and that its priorities (poverty focus) could change as a result. • They tended to agree that development should not be isolated from other external policies, that the EU's interests (security, terrorism, migration) should be acknowledged and e.g. the security agenda should be more carefully taken into account (interlinkage development and security accepted), but also strongly felt that (in line with the new Constitutional Treaty), development policy should not be subservient to other external policies. • As regards the coherence of development policy with other European policies, most respondents felt that the different priorities and commitments of the EC and EU should be clarified politically (arbitrage between policies), and the appropriate procedures, tools and capacities (means) should be provided. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • There must be specific budget lines for new Commitments like drugs, migration, and disaster preparedness (not to be taken from the development budget). • Discussion on different external policies matters especially internally within the EC and should be sorted out there. • As regards <u>coherence</u> of development with agricultural/fisheries policies and EPA negotiations, one respondent felt that awareness of development in other DGs had increased, but was not yet good enough, and suggested that there should be more interaction (DGs must share their views, actions etc. at the beginning of every year, better links and understanding of what each is doing - can't leave it to inter-service consultation because its too late) and mainstreaming of development in other internal policies.

Views of Actors

	<ul style="list-style-type: none"> • The subdivision of portfolios and services is damaging for development and coherence. As regards <u>new commitments</u> such as the MDGs, the following comments were made: • ‘...precisely why an update is being prepared - need reference to MDG, recent developments in geopolitics, big events (Jo’burg WSSD, etc.), 9/11’. • Many of the new commitments are short-term and fast action is often needed - which does not correspond to the cumbersome procedures, heavy internal consultation process and decision-making. More flexibility is needed otherwise the EC will be unable to deliver. • HIV/AIDS should also be higher on the agenda. As Council just discussed [GAERC 22-3.11.2004 - Action Plan before April 2005]
<p>2. Overall poverty reduction objective</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Poverty is a wide concept. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Poverty is overall objective, but even that allows you to do almost anything. • A catch-word more than something absolute. Definition of poverty depends on the context in which you work. • Link poverty alleviation and post-conflict rehabilitation and reaching different parts of a country can be more important than ‘pure poverty focus’ in specific country contexts. • Political commitment in 2000 (new Commissioner, globally) to poverty alleviation as the main declared objective, to be mainstreamed within all sector policies of Commission. But: is a mention sufficient? • <u>Take-up in CSPs:</u> mentioned in most ACP CSPs, for non-ACP, less obvious. This is due to division of labour Patten/Nielson, DEV/Relex. <p>As regards question of <u>whether the MDG are a more effective policy framework?</u></p> <ul style="list-style-type: none"> • EC must update DPS with clear Council resolutions making reference to MDG, but also with Work Plan and Resources. • EC cannot work alone: must work with MS (Monterrey commitments and Barcelona conclusions an excellent e.g. of putting MS in front of responsibilities) and other donors (in dialogue with US and Japan). • DPS should be more practical, operational on the goals of policy. While clear that certain level of wishful thinking in the MDG, the Commission, at least in its COM, should be quite explicit (even dramatise) that unless more is done, we will fail to achieve the MDG.
<p>3. Mainstreaming of cross-cutting issues.</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Mainstreaming of cross-cutting issues not yet convincing. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Few of the cross-cutting issues have been fully integrated into the cooperation with the Pacific. • Gender mainstreaming - missed objective. Data lacking (and where exists, focused on inputs and not outputs). A good general poverty reduction policy should lead us to improve situation of women (most vulnerable groups), but unable to demonstrate this. • Human rights/democracy and governance - reasonably good. Done a lot in terms of policy dialogue, working with civil society, election observation, difficult decisions on suspension of cooperation. • Environment - rather poor. Apart from big initiatives (water, energy), could have done much better (international agenda - Kyoto, Climate Change, etc. is there). • Mainstreaming issues should not take focal sectors and projects hostage. They are important but should not be imposed when not really relevant. Programming process is time-consuming also because of these many requirements. It becomes very cumbersome and the inter-service consultation can ‘lock’ the process. Gender and environment must be there but they can also be focal sectors.

	<p><u>Obstacles</u> to mainstreaming:</p> <ul style="list-style-type: none"> • Especially gender and environment can run counter to the traditional cultures and values - EC faces resistances in some countries. • Clear influence and improvements, cross-cutting issues taken more seriously and considered wherever possible (but not only of DPS themes - including HIV/AIDS and capacity building, governance), but implementation weakness = A capacity problem (human resources). • Cross-cutting themes and <u>contribution to poverty reduction</u>: HIV/AIDS needs to be included for many countries.
<p>4. Comparative advantage of EC development</p>	<p><u>Individual comments</u>:</p> <p>Areas of 'strength' (EC wouldn't have to demonstrate added value if this wasn't a political question)</p> <ul style="list-style-type: none"> • political neutrality • not being a former colonial power. • collective action always better per se (multilateralism question...) • Economies of scale: resources/budget/competences/outreach • grant nature <p>Weaknesses:</p> <ul style="list-style-type: none"> • Minimal social, economic and direct political relations [with Pacific country] and the presence of regional powers [like Australia].
<p>5. Focal areas of EU "added value"</p>	<p><u>General views</u>:</p> <ul style="list-style-type: none"> • Respondents felt that the principle of concentration and the idea that it is clear what the EC can do (for recipients, Commission services and other donors) were helpful, but were less certain about the sectors selected ('choice of 6 areas - puzzling'). • As regards the question of <u>whether the 6 focal sectors in the DPS contribute significantly to the poverty reduction objective</u>, respondents were unsure whether the interventions have actually reduced poverty due to the lack of identified relevant indicators (although one respondent felt that impact and results are clearer). • As regards the question of <u>how permissive the DPS be should in defining or not priorities</u>, respondents tended to agree that concentration on certain sectors should be defined at country/regional level, to allow the EC to be flexible in policy dialogue with governments (while keeping poverty focus) <p><u>Individual comments</u>:</p> <p>As regards the question of <u>whether EC development cooperation in practice concentrated on the 6 focal areas defined in the DPS</u>, respondents felt that:</p> <ul style="list-style-type: none"> • The six areas are very widely formulated - allowing the EC to do almost anything (continuing similar programmes as agreed with partner countries) • Defined priority areas were a bit restraining (perception: another burden) and EC had to work around them - resistance from the recipient countries. Some flexibility is needed to respond to partner countries' needs. <p>As regards the question of <u>whether the 6 focal sectors in the DPS contribute significantly to the poverty reduction objective</u>, respondents furthermore felt:</p> <ul style="list-style-type: none"> • unsure that trade and development is a relevant focal sector as it is: probably a good instrument for growth in the long term, but only if combined with policy to achieve equitable share in this growth (2 respondents) • unsure about regional integration for the same reason: yes, helped growth and economies of scale in the long term - but should be accompanied by socially equitable policies on redistributing this growth • Confusion about what this should be & imposed on a country • Not working well in another

	<ul style="list-style-type: none"> • Transport - a bit like security: Need a minimum network/ communications for factors of production to move around - roads and bridges (not highways and tarmac), and these cost a lot of money. A necessary (but not sufficient) condition for having good education and health policies. But again, this link has to be demonstrated with reference to social benefit (and justification should not just be based on economic calculation - as it is now). • Food Security - link to poverty reduction is easier. • Budget support - helping public sector in health and education. Should also be more output than input oriented (and keep significant part of BS for health and education sectors). • Not really useful for small countries with small envelopes (capacity is not there and it is not really feasible; only in cases where donors work together at the regional level.) Direction is correct but for most of the countries/region we are not there yet. . <p>Other points mentioned were that:</p> <ul style="list-style-type: none"> • The 6 principles did not really focus enough on what the EC is good at in some areas (e.g. Pacific and fisheries). • Implementing DPS policy will not automatically lead to MDG achievement. • Human and social development should be included explicitly (and not only as part of budget support) • There is too much focus on development 'typical sectors' (not long-term sustainability; too much of an academic approach). Private sector development (as in MEDA countries), investment promotion, focus on markets, business, employment are important contributors to poverty reduction. Good financial management/ governance are key to this, and that e.g. the Balkan countries have other problems which need to be tackled (trafficking etc).
<p>6. An EU DPS?: moving towards EU development policy</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • An EU development policy is desirable (more rational, cost-effective, etc.) but unrealistic (MS resistance and view of development policy as tool of foreign policy by some). <p><u>Individual views:</u></p> <ul style="list-style-type: none"> • The EC needs more flexibility and to speed up its response-time. Changing the procedures is more important than whether we'll have an EC or EU DPS. • New member states participating at EC level rather than creating policy at national level would be useful (buy-in to something common, smaller MS might jump in, rolling effect...) • As regards <u>complementarity</u>, we need to have a pragmatic approach on a country-by country basis - local coordination, not only between EC and MS, but also between MS! • We must focus on what we want to be common and what not.
<p>7. Processes related to the definition and implementation of the DPS</p>	<ul style="list-style-type: none"> • Awareness of process varied depending on where respondents worked in 2000. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • As usual, too much of a top-down approach and done in too much of a hurry. • There should have been a more participatory approach, with more inputs from the field and from civil society. • Process should bring everyone on board (including all Commission services), without lengthy formal inter-service consultation (e.g. DG Energy and security of oil supplies).

1.1.2. Directorate-General for External Relations

10 respondents.

Key points raised:

- For RELEX countries, policy is dominated by other instruments than the DPS. The DPS can only be taken into account to the extent that it does not contradict regulations made specifically for RELEX regions. The DPS is generally seen as an ACP declaration;
- Some respondents expressed frustration about the institutional disagreements between RELEX and DEV which has resulted in their concerns not being adequately taken into consideration by DG DEV;
- Views diverge strongly on the extent to which the DPS has been applied. It is seen by some of the respondents as irrelevant for their regions and has thus rarely been used or integrated in RELEX policy. Others have integrated it at the programming stage. Views also diverge on its value as a policy tool and strategic guidance.
- The DPS needs to be updated and to take full account of the range of policies adopted by the EC. Coherence is needed since development policy is only one aspect of external relations;
- Poverty reduction is one among other objectives in RELEX countries and is inserted whenever it is compatible/possible according to the regulations. There should be a better balance between the different goals; the DPS as it stands now is too restrictive. Other kinds of cooperation should be included;
- Poverty reduction does not mean funds should only target LDCs. MICs should also be included in the DPS and distinguished from LDCs.
- There are too many cross-cutting issues, which is an obstacle for their implementation;
- The areas in which the EC is most recognized for its work are regional integration, trade and budget support. Other cited comparative advantages include: institution building, integration processes, infrastructure, humanitarian aid and sectoral programmes.. Respondents found the following issues to be important in defining the EC's added value: the European dimension, the fact it disposes of the full panoply of instruments, its high volume of aid, its political neutrality, its comprehensiveness, and its role as a global player ;
- Some of the focal sectors defined in the DPS are of little relevance for RELEX regions. Several respondents felt there should be a large number of priorities which should allow the partner country to make a choice according to its national priorities.
- RELEX has not been sufficiently involved in the conception of the DPS and respondents expressed concerns over whether their views will be adequately reflected in the future DPS.

Interview Question	Response
0. Familiarity with the DPS and what constitutes a successful DPS	<p><u>General views</u></p> <ul style="list-style-type: none"> • All respondents were familiar with the DPS; • For RELEX countries, policy is dominated by other instruments than the DPS (regulations, ...); • The DPS is generally seen as an ACP declaration; • Views diverge strongly on whether the DPS has been used: it is seen by some of the respondents as irrelevant for their region because it is only centred on poverty reduction and has thus never/very narrowly been used or integrated in the policy; other have generally integrated it at the programming stage (CSPs/RSPs and recent reviews) in line with EU international commitments or following European Council decisions

	<p>and other priorities for some cases. It figures for instance in the EC's Communication on Asia of 2001 "Europe and Asia: a strategic framework for enhanced partnership";</p> <ul style="list-style-type: none"> • Views diverge on its value as a policy tool and strategic guidance: <ul style="list-style-type: none"> ✓ some respondents think the DPS has been useful (i) as part of a process of standardization of the different programmes (i.e. it has helped in the case of TACIS to adapt the different programmes to new countries circumstances; before 2000, only technical assistance was provided), (ii) for providing a focus for policy discussion and processes and (iii) for trying to identify key issues and priorities to be addressed; ✓ Some other felt it was not successful/an important point of reference because (i) it did not link enough with other policies. There was a tendency to link adequately development towards trade but it was not the case for politics. Other weaknesses cited are: (ii) it is one among many other documents and although cosmetic arrangements are made to refer to it, the practice slightly differs, (iii) it lacks focus and is a bit "wishy washy", every area is covered by the 6 focal sectors and this 'intellectual dishonesty' undermines its impact seriously; (iv) many of its principle elements were already part of this DG's remit (i.e., cross-cutting issues like human rights, policy coherence, complementarity, etc.), and (v) DPS is considered one of many reference points, and is not particularly high on the hierarchy; ✓ Some respondents stressed the institutional battle that exists between DEV and RELEX and expressed their frustrations and the feeling their concerns were not adequately taken into consideration by DEV. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent mentioned that DEV is determined to come out with a new DPS despite RELEX's opinion that it is unnecessary and that RELEX's efforts are aimed at avoiding the same problems than in 2000; • The appropriate mechanisms have been taken to fully implement the DPS in the CSP guidelines; • Such a document should identify and list problems and priorities and should not provide indicators; • A respondent was wondering whether it was the right moment to revise it; a revision would require a lot of political courage on all sides and would imply tough choices.
<p>1. EC Development Policy in broader framework of external actions</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • The DPS needs to be updated and to take full account of the range of policies adopted by the EC (security, stability, migration, non proliferation, conflict prevention,...); • Coherence is needed since development policy is only one aspect of the external relations (Art. 3 of the Draft Constitution cited by one respondent). It has to be reflected in the new CSPs, which should embrace the right policy mix and define a global strategy ; • Diverging opinions on whether the DPS provided useful tools to ensure coherence: most respondents feel it did not so and the problem should be solved in practice. One said it did but the real problem is more a lack of political <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent noted the DPS should also insert the objectives of the Neighbourhood Policy; • One should consider EU's priorities, look at the consequences for look at partner countries and their issues, look at what policies we have available and from this select appropriate mix for that country. At present too much tendency towards defensive reactions in different parts of EC; • MDGs should be included in the next DPS, which provides a satisfactory basis to include newer developments; • One respondent mentioned any attempt to establish a hierarchy was doomed to failure.
<p>2. Overall poverty reduction objective</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Poverty reduction is one among other objectives in RELEX countries and is inserted whenever it is compatible/possible according to

	<p>the regulations (i.e. for Asia it is one out of six priorities), this is reflected in the CSPs/RSPs. There should be a better balance between these goals as the DPS as it stands now is too restrictive. One respondent mentioned the treaty (Article 177) that enshrines this approach – poverty reduction is one of three objectives for Community aid;</p> <ul style="list-style-type: none"> • Development cooperation is not the only kind of cooperation: there is also security, trade,... DG RELEX tries to apply the right policy mix in EU's broader framework of external action according to some respondents ; • Poverty reduction does not mean funds should only target LDCs. It also depends on which sector funds are allocated to. MICs should also be included in the DPS and distinguished from LDCs. Cooperation is much broader for MICs (aid is limited and poverty reduction is one of several aims) than for LDCs (poverty reduction is the main goal) and other approaches to development should be taken into account for MICs (i.e. capacity building) ; • MDGs are good indicators to measure results and an important commitment but they cannot be used as a policy framework in the case of RELEX countries. Some respondents explained that MDGs would be a step in the wrong direction since it would neither take new themes (migration, terrorism) nor specificities of their region into account ; • Allocation of resources is not only based on poverty criteria but also reflects political priorities (important allocation to the Near Abroad; Southeast Asia would get more); • Diverging views whether poverty reduction has been more taken into consideration since the DPS came out: one respondent felt poverty has been more taken into account in the programming process since the approval of DPS in 2000 and as a result of it whereas for another one it was included in various documents before (i.e. ALA regulation in 1992). <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Some respondents explained how poverty reduction had been integrated in their “region”, i.e. targeting low income countries, reviewing the CSPs; • Poverty reduction was sufficiently taken into account when it came to allocate resources to difficult partners (i.e. one programme to fight HIV/AIDS being financed in the context of poverty alleviation); • There should be a greater sensitivity to the importance of good governance and security concerns to permitting countries to realize the overall goal of poverty reduction. • One respondent perceived as a problem the percentage of resources that should go to basic health and education imposed by the Parliament and would welcome more policy debates between EP committees.
<p>3. Mainstreaming of cross-cutting issues.</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • There are too many cross-cutting issues now ; • Cross-cutting issues have been well integrated in the analysis/programming process – with some difficulties sometimes - but some interviewees pointed out that it was much more difficult to integrate them during the implementation; • The main cited obstacles to mainstreaming cross-cutting issues have been (i) the partner countries themselves (if there is a weak ownership, the implementation is much more difficult and in that case political dialogue might be more adapted than aid) and (ii) the number of horizontal priorities to be mainstreamed. The list of cross-cutting issues should remain short. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • MEDA has prepared a strategic document on human rights and governance but different than the DPS; there is a common interest to work on cross-cutting issues; • The themes that are defined as cross-cutting issues are not important enough to be defined as priorities although some (i.e. human rights and

	<p>good governance) are more important than some focal sectors;</p> <ul style="list-style-type: none"> • Cross-cutting issues existed before the approval of the DPS and cannot be considered as one of its achievements.
4. Comparative advantage of EC development	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Main cited EC comparative advantages are: regional integration and trade (both cited for all regions) and budget support. Other cited comparative advantages are: institution building, integration process, infrastructure, humanitarian aid and sectoral programmes. • According to some respondents, EC's comparative advantages rest on the following aspects: its European dimension (the Neighbourhood policy is an extension of that), the fact it disposes of the full panoply of instruments (able to ensure overall consistency), volume of aid (i.e. budget support), political neutrality compared to former colonial powers, comprehensiveness, its quality as a global player (for regional problems such as the illegal drugs trade). <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • The EC should aim to be competent in whatever sector it wants to focus. It has demonstrated internal capacity building; • The EC has a good track record particularly in the EDF and need to capitalize on that; • Difficult procedures are an EC disadvantage. For instance, it is easier for the Member States to channel money through NGOs in case of difficult partnerships; • There is a difference between the DG DEV traditional development sectors (poverty, education, health) and the new needs coming from the Neighbourhood policy and new themes like infrastructure, internal market, institutional reforms, coming from the <i>acquis communautaire</i>; • The establishment of a possible greater preference for certain regions depends on the EC priorities. Between 2007 and 2013, there will be 3 "circles: pre-candidates", Neighbourhood countries, the rest of the world. • A respondent mentioned the EC should certainly continue to allow grants and another one explained it was not an EC comparative advantage as other donors use grants as well; • There are some mixed views on the successfulness of grants as a leverage for other sources of funding; • One respondent argued it was difficult in general to determine the EC's added value.
5. Focal areas of EU "added value"	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Some of the focal sectors defined in the DPS are of little relevance for RELEX regions. The DPS can only be taken into account to the extent possible alongside the different regulations. The focal areas are too ACP focused as stressed by one respondent: <ul style="list-style-type: none"> ✓ Latin America: regional integration and institutional capacity-building are relevant; food security is not. The actual key sectors are determined through the dialogue with each partner country; ✓ MEDA: transport (EIB), trade (association agreements), institutional reform and governance are relevant but rural development, environment (EIB) and poverty are not so relevant; ✓ TACIS : the regulation defines seven focal sectors: support for institutional, legal and administrative reform, private sector and assistance to economic matters, social consequences of transition, infrastructure, environment, rural economy, nuclear safety; ✓ Asia: sector programmes and /or budgetary support (as modalities) and regional integration are particularly relevant; • Several respondents felt there should be some flexibility / a large number of priorities which should not all apply to every region and allow the partner country to make a choice according to its national priorities. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • A respondent agreed with the principle of having six focal sectors but then felt they were worded too loosely. The EC should be much stricter in their definition and in sticking to them. There has been far too many commitments since 2000;

	<ul style="list-style-type: none"> • With regards to Latin America, the EU's added value may be in "new areas" which relate to processes inherent to European integration itself (i.e., strengthening cross-border communications, the creation of regional cohesion funds, research and development cooperation, etc.); • Mixed views on the actual contribution of the six focal sectors to the poverty reduction objective: one respondent felt they do contribute to poverty reduction. Another one was not convinced about the relevance of infrastructure and regional integration to achieve poverty reduction in certain areas (i.e. India); • The whole discussion on "focal areas of EU added value" when drawing on specific sectoral competence is not really in the interest of partner countries.
<p>6. An EU DPS?: moving towards EU development policy</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Most respondents find complementarity has not moved forward sufficiently. There is a need for a sensible discussion on that aspect. There should be a better flow of information from the Member States to the EC; • An EU DPS would be desirable and would imply hard work although it might not be very realistic. If a global declaration were to be adopted, its value would change from country to country. One respondent suggested the EC could still be ambitious; • The debate has made some progress on the ground. Several interviewees mentioned various processes that are taking place on the field: harmonization (i.e. in Vietnam), better coordination field based discussion and some suggest the division of labor should take place at a local level; <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • There is a compact group of "like minded" (Nordic) Member States which actually do not see any value added in EU coordination, some of them even openly saying that they don't want to be coordinated by the EC. These MS believe that it makes much more sense for them to coordinate with other like minded DAC members. Either this perception changes or any renewed Declaration on Policy Development will remain impossible to implement; • The Commission has also done increased effort with other important players (i.e. IADB with regards to Latin America)
<p>7. Processes related to the definition and implementation of the DPS</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • RELEX has not been sufficiently involved in the conception of the DPS, which focuses too much on ACP countries ; • Respondents expressed concerns over whether their views will be adequately reflected in the future DPS ; • The Parliament, Council and civil society should be involved in order to avoid some of the difficulties faced in 2000 (for example the "35%" threshold). It also has a co-decision role on the new cooperation instrument. It is equally important to ensure ownership of future DPS from EU citizens.

1.1.3. Directorate-General for Trade

3 respondents. The number of respondents in this category was very small. The views reflected represent a small sample only.

Key issues raised:

- The DPS is a useful document but mainly as general guidelines. It enabled DG Trade to take the lead in promoting trade and development and also led to the DG Trade-DG DEV joint Communication on Trade and Development in 2002;
- The DPS needs to be updated. A respondent suggested that the future DPS should take into consideration the Doha Development Agenda;

Views of Actors

- Most respondents see poverty reduction as an overall and overarching objective;
- Trade has links to other areas, such as regional integration, transport, and governance. One respondent suggested trade should also be seen as a cross-cutting issue;
- Respondents all agreed on the EC's added value in the trade sector. Other cited areas where the EC has a comparative advantage were especially macro-economic support/budget support, infrastructure, regional integration as well as food security, coordination with MS in partner countries and institutional capacity-building;
- Main strengths of the EC cited are: its own experience in terms of economic development and in building peace and understanding within its own borders, its presence on the ground and the EU's excellence in certain sectors;
- EC development practice did not concentrate on trade at a national level but only at regional level in ACP countries. As for the other regions, in the MEDA countries, trade is a relevant issue due to the nature of their relations with the EU. This is also true for TACIS. In ALA the picture is very patchy, with some good examples and some bad ones. In general, Mid-Term Reviews are trying to fill the gap but more should be done;
- Respondents were doubtful about the possibility of having an EU DPS. Interviewees think the EC and the Member States should define common themes and a common framework. A respondent suggested the EC should ideally assess in pilot counties who does what best. The trade-related development assistance integrated framework approach could be used as a model.

Interview Question	Response
<p>0. Familiarity with the DPS and what constitutes a successful DPS</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Respondents were familiar with the DPS, in particular with the three following priorities: trade, regional integration and institutional capacity building; • The DPS is a useful document but mainly as general guidelines. It enabled DG Trade to take the lead in promoting trade and development and also led to the DG Trade-DG DEV joint Communication on Trade and Development in 2002. The priorities and rationale of the DPS have been translated into DG Trade documents, which give more day-to-day guidance. Some respondents remarked that even though poverty reduction as policy guidance is very important, it is also very broad and the six focal sectors are so loosely defined, it does not really help focus EC aid; <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Policy papers of any kind should name key objectives, the rationale of the objective and how to reach them. This should include priorities / indicators or procedure of evaluation. Policy papers should give overall political guidance. More specifically, the DPS should take into account the provisions of the EU Treaty and the Constitution, once in force, as well as international commitments of the EU, such as those connected with membership of the WTO; • The future document should strive to be more consistent and coherent as well as more political.
<p>1. EC Development Policy in broader framework of external actions</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • The DPS is still a relevant document but needs to be updated. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • There are still many challenges regarding coherence. DPS focuses on the EC development policy but does not make links to other fields of EU external action. There should be better coherence between the objectives of development policy and those of other policies.

	<ul style="list-style-type: none"> It will be good to have strong DEV Commissioner as MS tend to strengthen the RELEX side instead of DEV side, as e.g. has become obvious in the Annex IV review; One respondent said that using ODA for the African Peace facility to help prevent or settle conflict is a good investment and poverty focused; The DPS should take into consideration the Doha Development Agenda and the July package; One respondent said it had contributed a lot to achieving the Monterrey Consensus but was puzzled by the inclusion of Water and Energy initiatives in the list.
2. Overall poverty reduction objective	<p><u>General views:</u></p> <ul style="list-style-type: none"> Most respondents see poverty reduction as an overall and overarching objective. One has doubts about the possibility of achieving it directly: it is hard to measure the impact of development policies on poverty reduction. It would be easier to measure intermediate stages and objectives (such as economic growth) that are likely to lead to poverty reduction. Another one stated trade and development are key issues in the document, and the EC is leading on trade-related assistance (with DFID, probably).
3. Mainstreaming of cross-cutting issues.	<p><u>General views:</u></p> <ul style="list-style-type: none"> Respondents disagreed about the success with which cross-cutting issues have been taken into account. One respondent said that DG Trade focuses mostly on some of the issues, namely governance, institution building and legal environment, while human rights, environment and gender are not really looked at. Another respondent, however, added that gender and environmental issues are systematically brought in each financing proposal. Yet another respondent stated that since trade is already a very complex policy area, cross-cutting issues will complicate the topic further. Direct guidelines are needed to 'mainstream' (e.g. representation of women in workshops/seminars of DG Trade). The main challenge to mainstreaming cross-cutting issues is the lack of commitment of developing countries themselves. This results from the lack of real political dialogue between the EU and its partners in the developing world. Secondly, mainstreaming is too vague. Some specificities unclear should be included, e.g. trade in environmentally friendly goods; Trade has links to other areas, such as regional integration, transport, and governance. One respondent suggested trade should also be seen as a cross-cutting issue, but it is a newer subject so time for adjustment is needed. Making trade a cross-cutting issue would help to link it with development and poverty (fisheries example – changes to the rules of origin could impact on gender – as e.g. women can fish in factories). <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> One respondent expressed doubts about poverty reduction as a feasible objective of the DPS. Since the link between development policy and poverty reduction is not direct, it would be better to focus on intermediate stages.
4. Comparative advantage of EC development	<p><u>General views:</u></p> <ul style="list-style-type: none"> Respondents all agreed on the EC's added value in the trade sector. One respondent felt that EU Member States needed the EU to stand up to the US. Development programmes should be part of the CFSP for the same reasons that apply to trade.. It could create synergies, enable improved central coordination, and increase transparency; Other cited areas where the EC has a comparative advantage were macro-economic support/budget support (expertise), infrastructure (technical know-how), regional integration as well as food security although the CAP is not best practice, coordination with MS in partner countries (although in some countries the EC is seen as just another Member State) and institutional capacity-building. Main strengths of the EC cited are: its own experience in terms of economic development and in building peace and understanding within its own borders, its presence on the ground - although in most cases the main focus is the development policy per se without debit account unclear of larger policy objective and policy dialogue- the EU's excellence in certain sectors. <p><u>Individual comments:</u></p>

	<ul style="list-style-type: none"> The EC Trade and Development communication referred to the DPS and built on it to see how to implement it. Follow-up to this is still ongoing. This is needed for each of the priority areas—at least as internal documents; The DPS as a broad guideline fails to include the global/multilateral system, e.g. the WTO global trust fund is not really provided for by the regional approach – from where do you take the money for that?
5. Focal areas of EU “added value”	<p><u>General views:</u></p> <ul style="list-style-type: none"> The EC has a comparative advantage in trade and regional integration; <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> As far as trade is concerned, EC development practice did not concentrate on trade at a national level (none of the CSPs for ACP countries prioritize trade) but only at regional level and hence in RSPs. As for the other regions, in the MEDA countries, trade is a relevant issue due to the nature of their relations with the EU. This is also true for TACIS. In ALA the picture is very patchy, with some good examples and some bad ones. In general, Mid-Term Reviews are trying to fill the gap, but more should be done; One respondent explained the reason why it has not been able to effectively integrate trade into the development policy is the lack of specific trade-related background and expertise of people in DG DEV and in the EC delegations. A lot of training is being provided but a greater involvement of DG Trade, TAXUD, COMP is desirable; The number of sectors is ‘not too large’ for a donor of this size and they are quite straight forward. Most of them link with trade, so DG Trade’s concerns are well reflected. Other services might judge it different. Macro-economic support and access to social services is very broad and does allocate ‘the rest’. Interpretations of what can be done under heading vary; One respondent believes that it is necessary to look at what is relevant for development, such as economic growth, democracy etc. He favors the identification of general basic themes (rather than priorities), which would lead to increasing flexibility in the implementation phase and adequate development policy mix.
6. An EU DPS?: moving towards EU development policy	<p><u>General views:</u></p> <ul style="list-style-type: none"> Respondents were doubtful about the possibility of having an EU DPS. One interviewee noted that a single EU approach would not add much on the ground as it would leave out other important donors and it is doubtful whether this is desirable. Another one was sure that it is not feasible, as even within the ‘communitarised’ trade policy, it is very difficult to get agreement among MS. Interviewees think the EC and the Member States should define common themes and a common framework. The problem nowadays is the lack of agreement on objectives and approaches. There are also problems in terms of information exchange. A respondent suggested the EC should ideally go into a country, assess it, and create a matrix for MS to find a place to fit in. It could then assess in pilot counties who does what best. The trade-related development assistance integrated framework approach could be used as a model: it is a matrix of needs of partner countries and donors see where their support fits in. This could be done at EU level in all sectors for each country. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> In the new MS there is less resistance and more disinterest since development policy is not a political priority and has been created from scratch. Areas of their expertise could be transformation and WTO access. However, respondents doubted whether this should be in a new DPS or rather in a different policy paper. Another respondent thinks that the coordination should be done at the country level and include all donors (those beyond the EU are not taken on board with a DPS).
7. Processes	<u>Individual comments:</u>

<p>related to the definition and implementation of the DPS</p>	<ul style="list-style-type: none"> • One respondent thought the inter-service task force which groups people from different DGs to develop a new DPS offers a good basis. In this framework, the introduction of issue papers for discussion should collect views of different DGs and generate political feedback. Normal procedures (EC Communication to the Council and the Parliament) should follow up on this discussion. The main challenge would be to get the MS's agreement on a European Union (and not European Community) development policy. • Civil society and the private sector should be consulted. Ideally, the European Parliament should be involved. However, one respondent feared that the EP will "start with micro-management" while the DPS should be a broad guideline. One should discuss the comparative advantages, not see the discussion as something about access to pots of money. • The emphasis should be on discussion between stakeholders: DG Relex, DG Dev, AIDCO, and to some extent DG Trade. The issue is one of coherence and very strongly depends on coordination with Member States.
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1.1.4. Europeaid – Co-operation Office

10 respondents (including participants of study team meeting with the Evaluation unit)

Key points raised:

- DPS more present in ACP countries than in other regions. Policy/Programming and implementation split hinder effective cooperation. Better indicators needed to measure impact of policy statement.
- Coherence is very important (though difficult to achieve). Development and other external policies are linked, but development must also be protected.
- The poverty focus is often cosmetic: economic growth rather than poverty is the overriding objective in many EC programmes.
- Mainstreaming of cross-cutting issues not sufficient (as in other donor organisations). There is a conceptual gap in the understanding of cross-cutting issues.
- Comparative advantages mentioned include greater political neutrality, European values, partnership approach, economies of scale, specific sectors (good governance, conflict prevention, regional cooperation, trade and development, budget support).
- Focal sectors are useful as they help to focus the EC's work, but partner country ownership and flexibility in the response strategy are important.
- Different views on whether EU development policy would be desirable or realistic. Member States and EC development policies should at least be coherent.
- For the formulation of the new DPS, a longer consultation and review process would be desirable.

Interview Question	Response
<p>0. Familiarity with the DPS and what constitutes a successful DPS</p>	<p><u>General View</u></p> <ul style="list-style-type: none"> • The DPS is much more present in the ACP countries than in other regions - where it is mixed with other foreign policies and not given much priority. The DPS is less accepted by DG RELEX than DG DEV (the governance communication 2003 is more accepted but also faces resistance). Perceived as an ACP document (focal areas: transport, infrastructure, regional integration), should be broader based. • Policy/Programming and implementation split makes it difficult to share knowledge (which is key to effective cooperation). More unified service needed so that development policy is not the poor neighbour.

	<ul style="list-style-type: none"> • Must be able to measure impact of policy document. <p><u>Individual comments</u> <i>Value/use of a DPS</i></p> <ul style="list-style-type: none"> • 2000 DPS was a good attempt to outline development ambitions vis-à-vis other policies, and has value as a document which could help in achieving coherence. Coherence and coordination will and should become more important in the future • The DPS underlies all work, but don't really use it in the troubleshooting implementation work of AIDCO. • Policy guidelines also come from many other sources (EU treaties, ALA regulation, strategy papers for Asia, SE Asia, Communications on specific countries - e.g. India and China). • The DPS has value as an overall reference point. • <-> It is rather the Communication from April 2000 that serves as a reference point - more elaborate than the DPS, and puts different emphasis on various aspects. • The DPS is needed because of the huge amount of external aid directly managed by the EC (if the EC messes up on this, it could be its downfall - so need strong language that says that's our development policy). Also needs to set out EU vision, and to be updated regularly. • A new DPS should reflect EC ambitions ('What 'extra' does it want to contribute - be another donor or something different?) • The 6 focal sectors were the flavour of the time. It would be good to review them now. • DPS has to be clear - 1 plan for each region (strategic documents with applicable objectives) otherwise it would be counterproductive. • <-> A revised DPS should be broad enough to allow for the thematic and country specificities. • DPS should inform all policies (should not be a rigid statement, but flexible framework to inform all policies). • DPS cannot be a development manual. Should not include strategies, etc. Could never cover all countries, because situations different in different countries. So should be short, clear, readable, flexible. A framework for each type of programme. A framework of guidelines. Details should be worked out at ground level. <p><i>Implementation of DPS?</i></p> <ul style="list-style-type: none"> • The lack of indicators and action plans makes it difficult to monitor the implementation of the DPS. • Biggest test of any policy (top town document) is good implementation it in the field. Policy set in Brussels with good intentions, but for it to work must be practical, possible to implement, needs expertise, etc. Need tools up front to measure objectives and impact. • There is also a problem with knowledge management - lessons learned and experience are not sufficiently integrated.
<p>1. EC Development Policy in broader framework of external actions</p>	<p><u>General views</u></p> <ul style="list-style-type: none"> • Coherence is very important - some work has been done but a lot more still remains. • Development cannot be separate from other external policies (they are linked), but must also be protected. • Mixing policies and having priorities is important. <p><u>Individual comments</u> <i>Coherence</i></p> <ul style="list-style-type: none"> • Coherence of policies is important. However, there is no one opinion in the EC on e.g. the coherence of trade and development. Impossible to draft one statement that all would agree with. Coherence can only be set as an objective. The iQSG could try to look more at coherence issues. • Political will is key. The EC is a college – so can come up with a line on this (in theory). In reality, Commissioners know what Member States want

	<p>and protect their own departments first.</p> <ul style="list-style-type: none"> • A hierarchy of policies (CFSP, trade, development, sectors etc) is necessary, and a compromise/equilibrium must be found each time programming takes place for a given country and region. • FP instruments will set out future priorities. • Strategic questions on the partnership wanted: neighbourhood policy for 2007 <p><i>Role/status of development policy</i></p> <ul style="list-style-type: none"> • Cannot compartmentalise development, foreign relations, security... - everything is political. But: concerns if security, foreign relations are too closely linked to development - Development could be used as a tool for foreign relations. • Development is one tool in a tool box [of external actions] with many tools. The key is that the objective must be development and to give a better future to people (and not to increase EU influence in the world - development is not a tool of foreign policy). • <-> Naïve to say development policy is strictly to alleviate poverty and not a foreign policy instrument. Underdevelopment is complex (cultural, society issues...). Development is about changing how countries are ruled (societal change), beyond just the delivery of aid. Hard to separate development from other policies - must be inter-woven (e.g. development - stability - foreign investment - development), but development must also be protected. • Development and security: Aid plays a role in solving or helping problems. All cooperation must be seen in a security context (in principle aid is neutral, but in reality development aid fits in other paradigms/policy). • Security should not be left to foreign policy - development needs to look at longer term perspectives. • Changes in global context/public opinion. How foreign policy is conducted and development administered goes back to the 1980s idea: 'if they follow our ideas, we give development assistance'. Shifting away from social development, poverty eradication priorities.
<p>2. Overall poverty reduction objective</p>	<p><u>General views</u></p> <ul style="list-style-type: none"> • The poverty focus is often cosmetic: economic growth rather than poverty is the overriding objective in many EC programmes that say they target poverty. In up to 70 percent of the evaluations done, economic growth seems to be the overriding objective. <p><u>Individual comments</u></p> <ul style="list-style-type: none"> • Some in EC want to use development assistance money for other purposes. AIDCO struggles with RELEX to bring back MDG focus. CSPs often don't include poverty focus first time around. Not all parts of the EC are convinced poverty should be main focus. Aid is instrument for selfish reasons. Some MS help to keep the poverty focus by insisting on it. • MEDA poverty reduction objective: coincides with the DPS overall objective of reducing poverty and the MDGs, integration into the world economy, social sector, human rights, civil society, north/south integration and south/south integration. • Asia: 600 million annual budget for Asia equals only 7% of total external assistance budget. 20% of this is for economic cooperation, the rest is financial and technical cooperation. Strong poverty focus (Thailand and Malaysia for example no longer receive development aid). Asia seen as further away, with the capacity to grow out of under-development, though there is recognition that there are pockets of poverty. Wide range of types of countries in Asia and within countries. 2/3 of poor live in Asia.
<p>3. Mainstreaming of cross-cutting issues.</p>	<p><u>General views</u></p> <ul style="list-style-type: none"> • Mainstreaming of cross-cutting issues not sufficient (as in other donor organisations). • EC does do more than lip service through screening, guidelines, manuals, training, but there is a conceptual gap in the understanding of cross-cutting issues. <p><u>Individual comments</u></p>

	<ul style="list-style-type: none"> • Cross-cutting issues are fundamental and should be reinforced. • Cross-cutting issues are important in the Annual Reports (political documents to the Parliament and the Council), which take into account security, gender, trade, environment, etc. There is a willingness to take into consideration these objectives. • There are way too many cross-cutting issues (we don't know how to prioritise), so the concept becomes meaningless. The original cross-cutting issues in the treaties should be the only ones. • There are separate cross-cutting and cross-sector issues which depend on the specificities of a given region. • There is a clear conceptual gap in the understanding of cross-cutting issues at country level, and again a lot of cosmetics. • Mainstreaming is very inconsistent (e.g. Burma and China treated differently) • Gender and environment are often mentioned but it is often cosmetics. Very little on gender mainstreaming is done in reality. • However, specific programmes which target gender directly (for example girls in school in India, Afghanistan) are good (otherwise not enough consideration given). • EC is better on environment issues. Transfer of know-how, technical assistance, etc. • Governance - increasingly in all project documents. How far do we go – benchmarks in CSPs (under discussion now). Government, institution building = 10% annually in Asia (so not taking it head on). But governance a recurrent theme in the work on public administration, etc. With sector reform get more governance. Prominent in Asia in cross-cutting sense. • Human Rights are probably the most important cross-cutting issues - but in reality not used by the EC.
<p>4. Comparative advantage of EC development</p>	<p><u>Individual comments</u> <i>Comparative advantages:</i></p> <ul style="list-style-type: none"> • No political agenda, no bilateral baggage. • Combined know-how of a wider Europe. • An existing network. • A philosophy which doesn't see things as simply right or wrong. • EU values are the ones the world needs (though everyone says this – US, Australia, etc). EC could do more than others. • Partnership approach; • EC is only donor that is present everywhere. • Can do aid in huge scales... • ...and largest common market. If the EC could link just trade and development and have coherence between these, we'd solve ½ the development problems in the world. • Debt relief - huge potential for EC here. Can't expect poor people to continue to repay loans recklessly given to undemocratic governments. • EC programmes in some sectors in India and in country evaluations are seen as models by other donors. • Good governance • Conflict prevention issues. Less likely paranoia as we are neutral. • Regional cooperation (supported by evidence from evaluations). However, there is still a lack of connections and synergies between the regional and country levels. • Budget support: the EU is using matrixes in its budget and sector support programmes. A policy is endorsed, donors decide who provides what. The EC is the most advanced user of this instrument (most suited instrument for harmonisation). A common policy is its foundation and should be used in all areas (starting from abstract - common external policy; deduce development policy from that; ensure links; define common EU lines; Member States subscribe to it; provide budget and sector support as much as possible.)

	<p><i>Obstacles:</i></p> <ul style="list-style-type: none"> • But: EC hamstrung by rules – procurement, experts, etc. MS able to do these things more easily. MS impose them. <p><i>Basis for selecting priorities:</i></p> <ul style="list-style-type: none"> • Complementarity and coordination with other donors: coordination of strategies with other donors and member states. Strategy documents of MEDA for the next 6 years have been coordinated. AIDCO is not in the best place for coordination in MEDA. It is done in RELEX and the delegations.
<p>5. Focal areas of EU “added value”</p>	<p><u>General views</u></p> <ul style="list-style-type: none"> • Focal sectors are useful as they help to focus the EC’s work, but link between them and poverty reduction objective not sufficiently clarified. • Partner country ownership and flexibility in response strategy are important. <p><u>Individual comments</u></p> <p><i>Actual concentration on 6 focal sectors:</i></p> <ul style="list-style-type: none"> • Must have focal sectors as otherwise EC tries to do too much in areas where it has no expertise and this affects the effectiveness of resources. • The principle of focal and non-focal sectors is a good working tool - but should this not be a principle which applies to all EU donor organisations, including the MS? • The 6 focal sectors were the flavour of the time. It would be good to review them now. <p><i>Do the focal sectors contribute to poverty reduction?</i></p> <ul style="list-style-type: none"> • There are many questions on why programmes are undertaken in one sector and not in another. It is far from evident that solid analysis is the basis for such choices. There is a need to strengthen the EC delegations’ analytical capacities and expertise. • If a certain country does not have the absorption capacity, then the principle of focal sectors and concentration can cause problems. The EC needs to balance concentration with some flexible instruments. • Allocation criteria within the different instruments and/or sectors could be done so as to enhance the poverty profile of the EC. • Happy with DPS focal sectors and linkages. Should strengthen these. Should add link between agriculture/development. • Budget Support can be a powerful instrument, but must be careful. Needs to be accompanied with technical assistance and capacity building. • Budget Support not allowed under ALA regulation. But do sector support. Increasingly using this and pool funding in Asia (in India and Bangladesh especially). • Many questions on the linkage between the poverty reduction and budget support. How does budget support contribute to poverty reduction? • The sectors contributing most to reduction of poverty are health and education • Governance is key (all conflicts start by one population group being blocked). DPS should state clearly how beneficial/necessary good governance is. <p><i>Focal sectors in specific countries/regions</i></p> <ul style="list-style-type: none"> • AIDCO looks at country priorities and focuses on only 2 sectors for each country which have to come from EC’s 6 focal sectors. They are flexible enough to encompass what needs to be done. • No infrastructure projects in Asia, so don’t use that focal point bit of DPS. Food security, rural development limited too. • MEDA: operational MDGs, plus neighbourhood. More means for transport, energy, communications, integration North-South and South-South, and free trade zone.

	<ul style="list-style-type: none"> The EC is not capable of reacting fast for example in crisis/failed states. <p><i>Definition of focal sectors at which level?</i></p> <ul style="list-style-type: none"> Regarding government ownership – EC uses PRSPs and development frameworks where they exist. We need selectivity and flexibility to accommodate ownership and local processes - but this affects the status of development cooperation since it becomes more fluid and vague. DPS should provide a framework of guidelines. Details should be worked out at ground level.
<p>6. An EU DPS?: moving towards EU development policy</p>	<p><u>Individual comments</u> <i>An EU statement?</i></p> <ul style="list-style-type: none"> An EU development policy statement with principles and objectives to which all EU MS agree is possible. Where you apply it is the difficulty. If EU development was under an inter-governmental set up, risks arise (too political). Must guard purity of development - could do by keeping in EC out of MS reach. Independence needs to be protected. <p><i>Coordination and Complementarity</i></p> <ul style="list-style-type: none"> All EU Member States and EC development policies should at least be coherent. Complementarity might be too much to ask. But there is scope for complementarity. EU Member States will always have specific links with some countries. DPS needs support of EU Member States. Coordination has advanced a bit due to the pressure from the EC. A new DPS should give the EC the mandate to facilitate coordination. Problem is implementation in the field. EU MS don't see DPS as applying to them, but they must see it that way. Matrix could work in theory, but not in practice. It doesn't make sense to donors like the US looking at the EC and seeing that we have an EC and 25 MS policies in every country. Should have just one. The NIPs are already based on country strategies and donors fit in. This could be improved MEDA: Coordination effective with member states, EIB, international organisations, RELEX and delegations. No reason to change it. Close coordination with member states, especially with those that work in MEDA countries. Synergy with the MED Committee which gives an opinion on all documents, CSPs, projects, etc.
<p>7. Processes related to the definition and implementation of the DPS</p>	<p><u>General views</u></p> <ul style="list-style-type: none"> Longer consultation and review process would be desirable. <p><u>Individual comments</u></p> <ul style="list-style-type: none"> Longer process: EU Member States must be involved in the process and buy into the DPS in order for it to be effective, and to avoid too much of a foreign policy focus (new commissioner comes from foreign policy side - learning curve - dangerous to issue quickly because may then have more foreign policy, less development focus -better to aim for mid/end next year when experience gained on what needed). The EU should consult academia on the DPS and the achievements of development cooperation. They are really neutral (NGOs never are, always have own agenda, vested interests, never impartial). The document should be prepared by not just one DG. DG DEV should have a reflection/ orientation role, but reduced operational role.

1.2. The European Parliament

9 respondents. There was only a limited number of respondents in this category, some of whom did not know the DPS very well. Therefore, the views reflected here represent a small sample only.

Key points raised:

- There is a need for a global development policy and for a Development Policy Statement;
- All interviewees called for greater coherence between development policy and the broader framework of external actions. The interconnection between security and development was stressed;
- Cross-cutting issues were integrated in the DPS and, most of the time, at the programming/analysis level, but not implemented correctly;
- Frequently cited EC comparative advantages are: the ability to provide a basis for coordination (with Member States) , the link between trade and development, good governance and the EC's quality as a neutral donor. Mixed views existed on budget support (an area which requires strong control mechanisms);
- All respondents felt that EC aid had become more focused; the inclusion of transport / infrastructure in the 6 focal sectors was questioned;
- The next Development Policy Statement should be broad and define main priorities with enough flexibility to meet the needs of developing countries;
- There is a need for a greater complementarity and coordination and the debate on complementarity should now be taken further. Opinions diverge regarding the possibility of an EU Development Policy Statement;
- There should be a large stakeholder consultation and, as opposed to the process that took place in 2000, the European Parliament should be properly involved in the preparation of the next Development Policy Statement.

Interview Question	Response
0. Familiarity with the DPS and what constitutes a successful DPS	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Five interviewees were familiar with the DPS (and have answered the rest of the questions) and four were not; • Some of the interviewees who were not familiar with the DPS as such did remember the principles of having 6 focal sectors and cross-cutting issues. • General feeling about the DPS is that there is a need for a global policy and for such a document. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • The DPS does not add anything new; • There was no EC policy to implement the objectives contained in the DPS; • The most important feature of a successful DPS is its priorities ; • The 2000 DPS was successful compared to before, since it was the first time the EC and Member States tried to agree on a policy and priorities.
1. EC Development Policy in broader	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Unanimous call for greater coherence; • Coherence would need to be emphasized in the future DPS;

<p>framework of external actions</p>	<ul style="list-style-type: none"> • Some respondents felt that coherence is not specific to external relations, but that it should be applied to all policies; • The DPS should position development policy vis-à-vis the other external policies, especially security policy; • There is an interconnection between security and development: need to tackle development for a safer world, while security is a basic pre-condition for poor people/countries to develop. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Prevention (i.e. financing the African Peace Facility) is fundamental and ODA could be used for security purposes but not military purposes; • Need to define how to implement coherent policies ; • Neighbourhood policy and migration should not be financed from the development budget • One respondent appealed for continuity: there is a need to update the DPS but not to change it completely • Institutional divisions should be overcome within the EC.
<p>2. Overall poverty reduction objective</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Poverty eradication should be the priority; • Several respondents felt it was difficult to know whether poverty eradication had become a more significant factor in the allocation of EC development resources because of the uncertain statistics; • Several respondents felt one should not only look at the allocations to LDCs but also at the financed sectors (i.e. education and health) and the number of poor people; as it is stated in the existing DPS, poverty is about access and not just about income levels. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Poverty has become a stronger focus and LDCs should get more resources; • The way the DPS was taken into account in CSPs / RSPs varies a lot ; • Mixed views on MDGs: one respondent felt that the MDGs are more efficient than the DPS and that there should be a direct link between the next DPS, the CSPs and the MDGs, another underlined that while there are questions about the effectiveness of the MDGs, there is an existing international consensus, and the fact the MDGs have become the main motivation for the UN, which should be exploited; finally, one respondent felt that while the MDGs provide long term goals, a policy statement should set a strategy to reach certain objectives.
<p>3. Mainstreaming of cross-cutting issues.</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Horizontal cross cutting approach is necessary; • General feeling that cross-cutting issues were integrated in the DPS and, most of the time, at the analysis/programming level, but not implemented correctly. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Cross cutting issues can be defined as principles, but they should be discussed with developing countries; • Need for HIV/AIDS to be included as a cross-cutting issue to comply with the MDGs, and to take into consideration the interlinkage with some sectors (i.e. infrastructure); • One interviewee was not convinced about the sometimes voiced view that cross-cutting issues were not allocated any resources; • Another respondent felt that the cross cutting issues should be more explicitly integrated in the CSPs and more binding; • The cited obstacles to mainstreaming cross-cutting issues were: lack of training and qualified staff.
<p>4. Comparative</p>	<p><u>General views:</u></p>

<p>advantage of EC development</p>	<ul style="list-style-type: none"> • Frequently cited EC comparative advantages are: the EC's ability to provide a basis for coordination with the Member States, the link between trade and development, good governance and the EC's quality as a neutral donor; • Other cited EC comparative advantages are: global public goods, regional cooperation, ICTs, human rights (together with the Member States), the EC contribution to multilateral funds, transport and infrastructure; • Mixed views existed on budget support: an area which should be implemented only if the conditions are right, and where control mechanisms are necessary. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent felt that greater preference should be given to LDCs, and that the most relevant basis for the EC to define its priorities are the MDGs; • Need for a better use of the EIB was cited.
<p>5. Focal areas of EU "added value"</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Unanimous feeling that EC aid has become more focused; • The inclusion of transport / infrastructure in the 6 focal sectors is questioned; a respondent mentioned European commercial interests as justifying it; • Focal areas cited where the EC has an added value are trade and institutional capacity building; • Some respondents stressed the need for more focus on infrastructure in rural areas (hospitals, small roads, ...), and not only in urban areas; • Unanimous feeling that the 6 focal sectors have received a lot of attention in the CSPs; • Respondents felt that the next DPS should be broad and define main priorities, but should remain flexible enough for partner countries to define what they need. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • There should be more resources allocated to education and health ; • One respondent felt that the DPS should be stronger on the following sectors: governance, regional integration, political rights, access to information, ...; • Ownership is a key principle.
<p>6. An EU DPS?: moving towards EU development policy</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Opinions diverge regarding the possibility of having an EU DPS: respondents think it would be a positive achievement or that it is strongly needed ; some find it unrealistic for the time being, while others think it would be possible, but only with strong coordination to ensure good implementation; • Need for a greater complementarity and coordination which have not been achieved so far; • The debate on complementarity should now be taken further; transaction costs are extremely high for developing countries when there are too many partners. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • Complementarity very much depends on political will and there is a lot of suspicion in the Member States because of the way EC aid has been managed in the past; Member States are also reluctant to give up their sovereignty; • The EC has an important role to play in a more coordinated approach;

<p>7. Processes related to the definition and implementation of the DPS</p>	<ul style="list-style-type: none"> • The Donor Atlas has been a useful step forward because people realized the contradictions and inefficiencies in the aid system. <p><u>General views:</u></p> <ul style="list-style-type: none"> • Respondents felt the EP had not been adequately consulted in 2000; • This time, there should be a clear analysis of past policy at every level and a large stakeholder consultation, and the EP should be properly involved; • EP ready to discuss and monitor the implementation of the DPS in a wide ranging discussion. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • The formulation of a new DPS should not be rushed. Time is needed for adequate consultation.
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1.3. DPS Interviews with EU Member States

16 respondents. The views reflected in this category represent mostly those of 'old' EU Member States

Key points raised:

- Main value of the DPS: a joint document which outlines basic principles and serves as an authoritative reference
- Coherence between policies has not yet been achieved and should be strengthened. A new DPS should provide guidance on the relation between development and other external action challenges, and should be endorsed by the European Council.
- Poverty reduction should stay the main objective of development policy (though definitions and opinions on response strategy vary). Goals should be wider than the MDG.
- Mainstreaming of cross-cutting issues not yet successful, due to lack of capacity and expertise. Concrete suggestions should be made in country and regional programmes.
- Excellence in certain sectors is a very relevant basis for the EC to establish its priorities.
- Analysis of EC comparative advantage in certain sectors and their contribution to poverty reduction should be strengthened.
- Concentration is positive, but priorities should be decided at country/regional level.
- An EU (versus an EC) DPS is desirable but unrealistic. Complementarity should be implemented in the field.
- Debate on the 2000 DPS was more important than the document as such. The process should not be rushed to get all stakeholders on board.

Interview Question	Response
<p>0. Familiarity with the DPS and what constitutes a successful DPS</p>	<ul style="list-style-type: none"> • Respondents in this category tended to be quite familiar with the DPS, or at least with its principles. • As the <u>main value</u> of the document, they cited the fact that it is useful to have a joint document which outlines the basic principles and priorities of EC development policy (focus on poverty reduction objective, six focal sectors, systematic attention to cross-cutting issues, 3 Cs - especially coherence mentioned) and serves as an authoritative reference accepted by all in the Council which can be referred to in internal argumentation with other ministries and in dialogue with the EC. • They expressed the view that it was useful to have a statement which emphasises the poverty focus of EC development cooperation, and felt that

	<p>together with the introduction of CSPs, the DPS helped to improve EC cooperation (as witnessed in the Annual reports) and gave it focus.</p> <ul style="list-style-type: none"> • One respondent felt that one of the main positive aspects of the DPS was to bring together European specificity (as opposed to the MDGs), such as the focus on regional integration, macro economic support, governance and human rights (which not included in MDGs). • Another respondent said that as unforeseen and perhaps unintentional side effect, the DPS may have helped to bring some smaller (non like-minded) EU donors closer to the core of development thinking. • While views were mixed on the question of <u>whether the appropriate mechanisms were established to fully implement the DPS</u>, the lack of indicators (qualitative and quantitative), action and implementation plans was cited as a difficulty in the actual implementation of the DPS, as was the institutional split in Brussels (between DG DEV and Relex), which fragments and marginalises development policy and, as one respondent felt, means that the ambition of a development policy for all development countries was not fulfilled. • Further obstacles to the full implementation of the DPS cited were the legal position of the DPS towards regional programmes, and the fact that the focal areas were not really delivered on. • While a large number of views were expressed in response to the question of <u>what features a successful DPS should include</u>, they centred around a few core issues: Respondents felt <ul style="list-style-type: none"> ✓ that the content of the present DPS should be updated to include internationally agreed commitments such as the MDG and the outcome of other international conferences such as Monterrey, Doha and Johannesburg, ✓ as well as best practices (such as SWAPs) and new policy challenges (such as HIV/AIDS) ✓ that the application to all developing countries should be strengthened ✓ that the statement should address all development aspects of other policies such as the Neighbourhood or Asia policy, as well as all issues that influence development, such as migration, trade, direct foreign investments, some security issues, stability...., ✓ and that therefore acceptance by all Commission services should be strengthened. • They pointed out that while the means to achieve the MDG should be included in the DPS, its content should go beyond the MDG to include other issues such as governance, democracy, human rights (European values), reproductive rights or economic infrastructure, which are goals themselves. • Opinions varied on how detailed and prescriptive or flexible a new DPS should be in defining overall goals or specific operational steps. • Some respondents felt that organisational management issues (such as devolution, procedures, reporting format, division of labour, harmonisation..) should be included, and that the necessary financial and human resources (ODA targets, sufficient and qualified staff) should also be mentioned. • Finally, the fear was expressed that the basic principles agreed in 2000, and especially the poverty focus of development policy, could be lost in a revision process, especially given the increased importance of issues such as security, and the interests of the new member states who don't necessarily seem to share the poverty focus but are more concerned by stability in their immediate neighbourhood.
<p>1. EC Development Policy in broader framework of external actions</p>	<ul style="list-style-type: none"> • In this group of questions, most respondents agreed that <u>coherence between policies</u> had not yet been achieved and should be strengthened, with some saying that more concrete guidelines and measures (indicators, action plans,...) should be included in the DPS, while others disagreed with this. • While many felt that other external policies are not necessarily coherent with development policy, some respondents also said that development policy has a tendency to "look inward" and does not sufficiently take into account other areas or strategic considerations. • Many felt that a new DPS should provide guidance on the relation between development and other external action challenges. • Some respondents cited the key importance of linking commitments to objectives such as MDG to the availability of resources (in the debates on

	<p>the new financial perspectives), and mentioned the fact that a policy statement cannot substitute the pending political discussion on this issue.</p> <ul style="list-style-type: none"> Some respondents also felt that awareness of the DPS should be raised and that development should be made a basic political goal, with a DPS endorsed by the European Council (at Heads of State and Government level). As regards the <u>status of development policy in relation to other external policies</u>, most respondents pointed out that in line with the Constitutional Treaty, development policy should be not be subordinated to other external action policies, but coherent with them, as one of a number of different but mutually coherent and linked elements of European external action. Development policy should not become an instrument of security policy, and should be recognised to have independent objectives. Most respondents found the DPS relevant overall, as <u>new commitments</u> are not necessarily in contradiction to the principles of the DPS, but felt that an update was needed to integrate these formally.
<p>2. Overall poverty reduction objective</p>	<ul style="list-style-type: none"> All respondents considered the <u>poverty focus of the DPS</u> useful, and agreed that poverty reduction should stay the main objective of development policy. While some felt that <u>poverty reduction</u> had become a <u>more significant factor</u> in the allocation of resources since 2000, and believed that there has been a clear shift towards LDCs since 2000, others questioned this, as well as the understanding of some of their colleagues in the Council of the poverty focus. They disagreed on whether the percentage of the total volume of aid allocated to LDCs/LICs was an adequate measure of the degree of poverty focus of EC aid, pointing out that the total volume of aid has increased since 1990s (as well as the fact that the goals of e.g. the neighbourhood policy should be respected). A few respondents felt that the DPS should include a more specific mention of the needs of middle income countries (MICs), and that there should be different instruments for LDCs and MICs. As regards the question of <u>how the poverty focus could be improved</u>, it was suggested that while as a global player the EC cannot concentrate on a few countries only, cooperation with key countries (such as Nigeria, SA, India, Brazil, China) could do much to help others in the region, while other respondents cited the need for better criteria/indicators to measure the actual impact of policy. As regards the <u>integration of the poverty focus into the CSPs/RSPs</u>, while some respondents felt that the importance of the poverty objective (in relation to other EU strategic goals), is sufficiently reflected in the CSPs/RSPs and more important than before, others suggested that this depends on the region in question (true for ACP, less obvious in ALA countries). Some felt that CSPs following the PRSPs was a positive trend. As regards cooperation with <u>difficult partners</u>, only one response was obtained, which suggested that this might have to be emphasized more, though not as a major issue. As regards the question whether the <u>MDGs could be considered a more effective policy framework than the DPS for achieving the overall poverty reduction objective</u>, many respondents felt that while the MDG are important goals which should be included in the DPS and provide useful indicators for monitoring, the focus of EC policy should be wider to include other elements. They felt that both the MDGs and the DPS are important and do not exclude each other. They cited the quantifiable MDG indicators as useful, but felt that such indicators should not be defined in a DPS, but at country level.
<p>3. Mainstreaming of cross-cutting issues.</p>	<ul style="list-style-type: none"> Most respondents felt that the mainstreaming of cross-cutting issues had not yet been successful, as in many/most other donor organisations. They felt that weaknesses exist especially in the mainstreaming of gender and environment, with slightly better performance in the mainstreaming of human rights (possibly because of the existence of a suspension clause for violations of this). Among the <u>obstacles</u> to mainstreaming cited were: Lack of capacity and expertise in the EC (and therefore of systematic screening at policy and implementation level) and the policies of partner governments. To overcome these obstacles, it was suggested that mainstreaming needs to go beyond lip-service, that concrete suggestions in country and

	<p>regional programmes should be made, that better tools should be developed, and that indicators and implementation/action plans should be introduced to monitor whether there are improvements.</p> <ul style="list-style-type: none"> • Most respondents agreed that the cross cutting issues identified in the DPS do contribute to poverty reduction, while some suggested that other issues such as HIV/AIDS should also be mainstreamed.
<p>4 Comparative advantage of EC development</p>	<ul style="list-style-type: none"> • As regards the EC's comparative advantage in terms of <u>sectors/themes</u>, respondent cited most frequently: <ul style="list-style-type: none"> ✓ Regional integration (specific nature of the EC, though doubts also expressed about whether EC gets it right) ✓ Trade (because EC has own competence) ✓ Link development, democracy, governance, human rights ✓ Transport/infrastructures (some where unsure - maybe just volume of funding?) ✓ Macroeconomic/Budget support (volume and leverage [= ability to become focus for bilateral BS, especially important with 25 MS, division of labour is important], most sustainable instrument, can no longer be a project driven organization, should be policy driven organization) • <u>Other sectors</u> of EC comparative advantage also cited were: <ul style="list-style-type: none"> ✓ Health and education ✓ Energy • As regards the EC's comparative advantage in terms of <u>instruments/approaches</u>, respondents cited: <ul style="list-style-type: none"> ✓ Potential to ensure coherence and synergy between development, trade, economic cooperation and political dialogue. ✓ Coordination and complementarity ✓ Peer pressure - spreading of best-practice is at least a theoretical advantage ✓ The fact that many CSPs relate to the PRSPs • As regards the <u>basis of the EC strengths/advantages</u>, many respondent listed: <ul style="list-style-type: none"> ✓ Absolute volume - leverage (though this does not necessarily translate into quality and policy coherence), scale and huge size of programme (e.g. volume necessary for infrastructures) ✓ Large community, comprehensive (one respondent: trying to integrate development with trade whereas US are more straightforward: they either help or trade) ✓ Global reach (EC present in 140 countries) ✓ Resource mobilisation (e.g. 0.39% target) ✓ Modern donor ✓ More neutral than some of some EU Members ✓ Enlargement experience - countries with experiences of transition (economic, politic, rule of law, good governance) • As regards the <u>most relevant basis for the EC to establish its priorities</u>, respondents cited: <ul style="list-style-type: none"> ✓ Competence - was mentioned by several respondent ✓ Excellence in certain sectors - as a basis for becoming focus for other donors taking ✓ Important to develop added value in sectors where there is a European vision of Development (e.g. in budget support, EC is seen as a reference by other donors). ✓ Ownership - recipient countries/regions needs and priorities ✓ [Areas left out by other donors - not a logical criteria for such a big donor.]

	<ul style="list-style-type: none"> • <u>Other points mentioned included the:</u> • Need for a solid analysis of EC comparative advantage. • Need to address coherence (internal structure of the EC), complementarity and coordination (peer pressure as in Monterrey, Rome). • Regarding the question of <u>whether there should be greater preference for certain regions or whether the EU should be more consistent in its approach across different regions</u>, most respondents found that for the global player EU, the preference for certain regions is outdated, and felt that the allocation of resources should be made on basis of needs (poverty reduction) and performance. • For those respondents who raised this issue, some indicated that the differential use of <u>grants and loans</u> should be dependent on the recipient's status (LDC, MIC, etc.), with a particular point mentioned on the need for a discussion on the role of the EIB. Another respondent expressed to be in favour of grants, especially for LDCs, as otherwise a debt relief issue would arise again.
5. Focal areas of EU "added value"	<ul style="list-style-type: none"> • Opinions varied on <u>whether or not there had been more concentration on the 6 focal areas</u> defined in the DPS, with some respondents saying agreeing yes, there has been greater concentration on 6 focal sectors, while others questioned whether the 6 priority areas are not so loosely defined that most programmes can be squeezed into one or another (and suggested rethinking their focus and redefining -as opposed to changing-them.) • Opinions also varied on <u>whether the focal areas selected contribute significantly to the poverty reduction objective</u>, with some saying, yes, they do - directly and indirectly (e.g. Transport), others saying, some do, some don't (unsure about whether regional integration, trade contribute directly to poverty reduction) and many saying, they might well do, but analysis of this should be strengthened. • As regards the question of whether the <u>EC has a comparative advantage or added value</u> (in relation to Member States and other donors) <u>in the chosen focal sectors</u>, different views existed on where this lies, and again the need for stronger analysis was raised. <ul style="list-style-type: none"> ✓ Budget support (cited frequently): Especially because of volume of aid, while opinions varied regarding quality and mechanisms (with some feeling that UK + Northern countries are more advanced); the meaning of 'macro-economic support and social sectors' was also questioned. ✓ Transport (cited frequently, though some also disagreed): scale and expertise ✓ Trade: added value because EC has competence ✓ Health (was cited as an EC added value once) ✓ [Food security and rural development: one respondent felt the EC was not so strong here, others didn't mention it] • As regards the question of <u>how permissive should the DPS be in defining or not priorities</u>, a number of points were raised. • Most respondents agreed that concentration was positive but that the choice of priorities should be made at country/regional level, respecting the principle of ownership of partner countries and national priorities (as defined in the PRSPs), and therefore suggested that the DPS should give general guidance on the overall approach only. • Given limited human resources, some respondents suggested that EC cooperation still needs to focus on some areas, but that partner country priorities should be respected through in-country complementarity (division of labour) between the EC and MS. • As regards the particular sectors the EC should focus on if a limited number of areas is kept, the importance of finding a balance between what was defined in 2000 and new commitments was raised, as were education and culture as sectors which should be included, or the suggestion that a stronger focus should be put on civil society, in particular in undemocratic regimes (human rights, rule of law, good governance)[to raise

	<p>public awareness of development cooperation especially in the New Member States.]</p> <ul style="list-style-type: none"> • As regards the <u>overall objectives</u> to be defined in the DPS, the MDG and supporting partner countries poverty reduction strategies were cited most frequently. • One respondent took the view that the DPS should clearly define priorities which should also provide guiding principles for all external relations.
<p>6. An EU DPS?: moving towards EU development policy</p>	<ul style="list-style-type: none"> • While many (though not all) respondents stated that a <u>move away from the current “25+1” approach to a truly EU development policy</u> might be desirable (given that at some point, 25+1 can no longer be justified and complementarity needs to be developed), all felt that this was unrealistic now or in the near future, given the different views among MS on development policy (political problem) and the fact that development is shared competence (legal problem). • They stated that for the EC to acquire new competences, the reform process needs to be finished first and the EC must show excellence and become more convincing (‘not as bad as its reputation, but there is problem of visibility’), as otherwise it cannot assemble the MS behind it. (Another respondent said that in any case the EC should not be given a coordination role for EU policy, but that there should be coordination with other donors in the DAC context.) • Other obstacles to an EU DPS cited were that some MS want to keep their niches in development cooperation and will not give up bilateral aid, and that the new MS are not part of the same <i>acquis communautaire</i> and are starting to build up new programmes rather than supporting existing ones exclusively. • [Some respondent felt that between the ‘old’ MS, a certain acquis communautaire exists (0.7% target, MDGs, consensus on poverty orientation) though there is disagreement on how poverty alleviation can be achieved (MIC issue for Spain, poorest country focus for UK, etc.)]. • In any case, to reach an EU statement now, shared competences would need to be discussed, and this would take a lot of time (‘it would open a Pandora’s box and look like the harmonisation discussions’). • Overall, respondents views on <u>complementarity</u> varied: While specific sectors where the ‘EC should do more’ were mentioned (‘EC should be more active on social sectors, less in rural development’), most respondent acknowledged that complementarity was a difficult issue, especially for the MS, on which little progress has been made and which needs to be discussed between the EC and the MS. • The existence of the DPS was cited as a starting point for the discussion (though it was felt that its principles are often not put into practice due to a lack of political will from the MS), and the harmonisation report, donor atlas and action plan were cited as important steps ahead. • Most respondents said that complementarity should be implemented in the field and that discussions on who leads should take place at country level (one respondent suggested that the leading role could even be taken by a non-EU MS) • The drafting of a matrix to see where the EC and the MS fit in was also perceived as a positive idea (and EC has expertise and comparative advantage in sectors such as transport cited again), with the qualification by one respondent ‘if the best practices [as perceived by the different MS] could be preserved...’
<p>7. Processes related to the definition and implementation of the DPS</p>	<ul style="list-style-type: none"> • Knowledge of the process leading up to the 2000 DPS varied, with some respondents not familiar with it while many others were aware of the overall reform process, the sense that ‘things couldn’t continue as they were’, and the attempt to achieve more efficiency and effectiveness, institutional and technical improvement. Those who knew the process well felt that the debate on and preparation of the 2000 DPS were more important than the document itself for the Member States. • One respondent stressed that regarding the role of the European Parliament in the DPS, the European Parliament was consulted when the EC Communication was put to the Council, but was not quick enough to react • Most respondents stressed the need for a stronger involvement of the European Parliament (legitimacy) and civil society (public opinion) in the preparation of a new/revised DPS, and the importance of bringing in all relevant stakeholders, including stronger associating all Commission services, ensuring that especially the new MS are fully on board, and taking into account the views of partner countries. • Given that a review exercise would be a useful opportunity to explore options for a new policy framework and put in place a foundation for new

	<p>commitments together with various actors/stakeholders, many respondents felt that the process should not be rushed (though, as one respondent pointed out, it should aim to finish by 2006 so that a new DPS is in place for the Financial Perspectives).</p> <ul style="list-style-type: none"> • The need for a strong political orientation on the question of complementarity, coordination and coherence was also highlighted by one respondent.
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1.4. Civil Society Organisations (North)

This is based on 4 interviews plus the opinions expressed by BOND, SOLIDAR and CONCORD in the House of Lords⁶¹.

Key points raised:

- The DPS is often perceived as a policy for sub-Saharan Africa or ACP countries only. The next DPS should place more emphasis on the broad group of developing countries;
- The DPS had an impact on the quality of the CSPs but not on their implementation;
- Development policy tends to be subordinated to other external action goals. New priorities such as security, anti-terrorism, and weapons of mass destruction should not be confused with development policy;
- The DPS fails to suggest any concrete measures to support coherence and suffers from a lack of support from other DGs apart from DG DEV;
- The DPS does not focus enough on poverty and the MDGs should be incorporated in the DPS. The efforts of the EC are insufficient in social sectors;
- The EC's attempts to mainstream cross-cutting issues has not been successful because of its strict rules and procedures and a serious lack of expertise;
- Areas cited where the EC has a comparative advantage: trade and agricultural policy, transport, human rights and link to foreign and security policy, budget support, indicators, regional cooperation, harmonization, ability to link different actors (MS) and harmonizing CSPs/PRSPs/MDG reports. Some of the criteria which the EC should use to define its priorities include its fields of competence, its high levels of aid which give it leverage in areas such as transport and in instruments such as budget support, and its political neutrality. It should try to pick up areas not covered by Member States.
- Ownership is an important principle. The specificity of each region/country should also be recognized;
- There must be a wide consultation process.

Interview Question	Response
0. Familiarity with the DPS and what constitutes a successful DPS	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Most respondents were very familiar with the present statement and negotiations for new one. • Several respondents agreed that the next DPS should place more emphasis on it applying to all developing countries and there should be an explicit link to the DAC list of developing countries. This would also be in line with Constitutional Treaty. • Respondents said that nothing was wrong with DPS itself and its pledge to poverty reduction, its six focal areas, the introduction of cross-cutting

⁶¹ These are marked by HoL

	<p>issues, and coherence. The main problem was that it lacks credibility (e.g. too focal many areas).</p> <ul style="list-style-type: none"> • Several respondents mentioned the DPS has often been perceived as a policy for sub-Saharan Africa or the ACP only. • Several respondents mentioned that the DPS affected the quality of the CSPs but not the implementation of the programmes defined (including HoL). No actions or strategies issues like HIV/AIDS have been developed. This is also true for education and health. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • The previous policy framework incorporated the 3Cs, but left a lot of open space in defining what complementarity is (a thorny political issue). • The existence of the DPS is its main value. But it does bring together everything into one document and gives some EC vision. • The CSP analysis is strong, and the DPS impacted on the analysis of CSPs, but not on their implementation. • A respondent said that since 2000 his organisation has used it as a lobbying tool because it focuses on poverty reduction issues etc.
<p>1. EC Development Policy in broader framework of external actions</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Respondents agreed that the DPS needs to be adapted to the new situation. Reinforcing coherence seems to be a major issue. One respondent suggested, for instance, that the policies of DG Enterprise, Transport and Energy, and InfoSoc could be better aligned to support development objectives. • New priorities such as security, anti-terrorism, weapons of mass destruction, migration etc. should not be confused with development policy. Like humanitarian assistance, development policy should be an independent policy focused on its own objectives. • The DPS introduces coherence as a concept but fails to suggest any concrete measures/tools/instruments to support coherence and suffers from a lack of support from other DGs apart from DG DEV. • Several respondents felt that development policy tends to be subordinated to other external action goals (e.g. trade). This is reflected in the European Parliament where many development subjects being dealt with in the external affairs committee. Power seems to have shifted from DG DEV towards Europeaid. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • The DPS is not considered enough in other EC policies and in other EC bodies as e.g. in the current Financial Perspective discussions. The DPS will precede FP conclusion so it should strongly address this coherence issue, otherwise it may be a mismatch of powerful policies. • Other ideas to reinforce coherence are dedicated desks with staff working full-time to make links, to share learning and best practice. The iQSG has made some progress. The desk should be in Secretary General's office, which is a politically powerful part of EC and with MS. • It is interesting to see that the EC studies the link between development and migration. It is important not to have too many policy documents, otherwise there is not enough focus on the implementation of these documents. • Using ODA for the African Peace Facility may be opening the OECD definition of ODA again. One argument is that you can have development without peace, but not without security, so there should have been an Africa Security Facility. The EU thinking on this is muddled, and needs to think through what the preconditions for development are. The policy mix idea would also hold more credible if the EC spent more than only 10% on social sectors. Other policies like trade and transport don't trickle down. The poor are not really able to use those opportunities. • There should be different instruments for coherence (hierarchy of development objectives and other policy areas in developing countries. This makes other EU policies subject to objectives of development cooperation objectives. The Maastricht Treaty establishes development priorities as overarching) and consistency (all external policies at equal level, none should be used to make development objectives subordinate). • There needs to be a distinction between the notion of values and the notion of strategic interests (HoL).
<p>2. Overall poverty reduction objective</p>	<p><u>General views:</u></p>

	<ul style="list-style-type: none"> • Respondents agreed that the DPS does not focus enough on poverty. The low level of social sector support is one manifestation of this. It is not clear how e.g. transport sector contributes to poverty objective. • Respondents generally think the MDGs should be incorporated in the DPS. Some said that the MDGs are a more effective framework for poverty reduction objective, while others identified the MDGs' value as being an international commitment which does not necessarily mean that they are better than DPS. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • BOND felt there had been a strong commitment to poverty reduction but the practice did not follow (HoL). • The poverty eradication objective is not taken into account enough in CSPs/RSPs. They are useful tools, but objectives vary across regions. • The DPS should also go beyond the MDGs because they are the lowest common denominator and include issues that are in the MDG Statement (not part of the MDGs) including conflict, health, etc. • Another respondent liked the Barcelona commitments: they reflected the changing nature of assistance, and addressed the issue of debt. MDG signed at an optimistic moment. Five years later a lot has changed and it is unlikely that they will be achieved. • Employment creation should be included as an important element in poverty reduction strategies (HoL).
<p>3. Mainstreaming of cross-cutting issues.</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • The EC mainstreaming strategy has not been successful. Some respondents called it disastrous, some had the impression that governance was more mainstreamed than the other themes. One respondent remarked that the human rights exclusion clause has never been applied. • Respondents blamed the failure to effectively mainstream the cross-cutting themes on the EC's narrow room to manoeuvre based on legal rules and regulations. Unless actions are specifically defined, they do not and will not happen (e.g. Children's right's addressed in the EIDHR budget line). • There is a serious lack of expertise to support the cross cutting themes (i.e. gender). <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • There should be a much clearer definition of the link between poverty and gender equality and what specific action is required. In terms of administration, there is a need to put processes in place which can make this happen: e.g. the DPS should define the processes through which mainstreaming can credibly be implemented. The twin-track approach (mainstreaming in other programmes and special measures) of the DPS did not work. • For human rights and sustainable environment there is also the more conceptual problem of understanding where human rights are a necessary precondition for poverty eradication. • Governance is the single hope for achieving development; if there are too little funds to support the environment theme. • All cross cutting issues are relevant to poverty reduction but it is impossible to assess their specific contribution to poverty reduction.
<p>4. Comparative advantage of EC development</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Respondents named as the areas where the EC has a comparative advantage: trade and agricultural policy, transport, human rights, budget support, indicators, regional cooperation, harmonization, ability to link different actors (MS) and harmonizing CSPs/PRSPs/MDG reports. • The priorities of EC development cooperation should be based on its competence in certain fields, where its volume of aid can have influence, particularly on the WB and IMF), and its political neutrality. It should also support areas not covered by Member States. • All respondents pledged for greater consistency in the EU's approach.

	<p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent identified the work on the MDGs, social and sustainable development sectors as areas where the EU as a Union has an advantage over the MS. Firstly, because any policy on poverty eradication has to focus on these two key sectors, and secondly, the EU as a Union is strongly committed to the MDG (mandate for EC is there). • EC should increase level in political dialogue on global governance issues. • One respondent also noted unless there are big international commitments. The world is not about EC development policy, but about: security, business, economic growth. What is needed is a strong pact between government and business/civil society.
<p>5. Focal areas of EU “added value”</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Respondents stated that the specificity of each region and country should be recognised and space should be given to prioritisation according to specific circumstances. The DPS should define better the basis of this analysis (per country/region), e.g. consultation. • Several respondents felt the 6 focal sectors are so loosely defined that they lack focus (including HoL). • The DPS should address not just sectors, but also processes and principles, i.e. ownership and partnership which should be taken more seriously. Processes of consultation of those of those who have a stake is critical as is making sure that programmes support a strong social fabric. Cooperation should be targeted at the poorest people. One respondent mentioned Europe must also find a way to ‘impose’ certain areas e.g. governance. • Respondents find the efforts of the EC insufficient in social sectors (health and education). One respondent cited the Alliance 2015 report data (only 0.33% of EC ODA committed to basic education, and only 1.53% to basic health and 0.22% to gender in 2002). <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One of the issues discussed is how to reconcile ownership by developing countries through budget support with the MDGs. How do the PRSP and CSP relate to targeting budget support? Is budget support is an instrument that advances MDGs? What are the obstacles to investing more in basic health and education, what could be improved? More SWAPs (positive examples e.g. basic education in India and Tanzania); reviewing conditionalities and identifying contradictions (especially where linked to PRSP), e.g. ceilings on spending in social sectors. • A major problem with DPS is that it is hard to say any of the sectors are necessarily irrelevant to poverty reduction, but the question of how to make them relevant for poverty reduction is not adequately answered. The new DPS should be much more analytical on this issue.
<p>6. An EU DPS?: moving towards EU development policy</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • A number of respondents thought it unrealistic and some even undesirable to have an EU DPS. It would be a long process resulting in a weak statement because of too many compromises. However, it could improve visibility. • Respondents saw the issue of complementarity as difficult and not much has been achieved for different reasons : (i) complementarity is defined in terms of specific sectors and activities and should be much more a division of labour in terms of process; (ii) some aspects of collaboration should be much clearer and (iii) there are no mechanisms defined to implement complementarity. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent suggested a matrix for each country where the EU and EC MS fill in what they can do, but is only likely to happen in 10 years and only works if the MS are willing to be told what to do by the EC. The MS won’t pull out of country because the EC says so. • Complementarity should be defined not in terms of areas/sectors (e.g. transport), but in terms of principles—how the EC differs from or adds to MS programmes.

<p>7. Processes related to the definition and implementation of the DPS</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Many respondents pointed to the importance of consultation processes for this to happen. It should be seen as a pact between the EC as a whole, the MS, the EP, other organisations— especially NGOs and IDOs—and stakeholders in the developing countries. This would get more people to buy into it and increase Michel's power base. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent remarked that for the 2000 DPS there was a much clearer process of consultation than has so far been the case for the revised DPS. • Diverging views regarding the timing of the DPS: one respondent felt the new DPS should include lessons learned. The MDGs stocktaking in 2005 will provide a lot of information on the obstacles encountered. Another one mentioned the DPS should be agreed before the MDGs summit. Michel should use it as way to meet everyone he is going to work with. • An EC Drafting committee should draft it, but all interested parties should be involved. • It makes no sense to have a policy strategy going in one direction and a regulatory framework, the Financial Perspectives, going in another. It is essential that FP and financial regulations, as well as DPS, are firmly based on the Constitutional Treaty. • A white paper would be useful as it allows for an update of policy processes and substantive priorities to be identified over and above what is enabled in law in other instruments. It would be more relevant if it has a clear procedure with the Parliament with an actual vote.
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1.5. External Experts

3 respondents. The number of respondents in this category was very small. The views reflected represent a small sample only.

Key points raised:

- The DPS serves as a reference and a framework, though the practical value of such a Statement should not be overestimated;
- Coherence will be the key point in the next DPS, which should take into account the foreign and trade policy objectives. DG DEV should work closely together with all services/actors involved, including the RELEX Commissioner;
- LDCs are not the only criteria for poverty, poor people living in transition countries should also be taken into consideration;
- The EC is undersupplied with top quality international professionals and should develop a “thinking” department similar to the World Bank to counter balance the power of Bretton Woods Institutions.
- The DPS should define wide priorities so as to allow each country/region to define its own strategy, although people might perceive this as a step backward given the attempts to focus in 2000;
- The next DPS should not be done in a rush to get a full buy-in from all actors involved.

Interview Question	Response
<p>0. Familiarity with the DPS and what constitutes a</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • Two of the three respondents did not have a specific knowledge on either EC cooperation or the process that led to the approval of the DPS in 2000;

<p>successful DPS</p>	<ul style="list-style-type: none"> Different opinions were expressed regarding the features a DPS should contain : (i) a development policy statement should be as concrete as possible, give guidelines to monitor and assess its impact and underline the EC specificity, (ii) the DPS should define priorities and leave space for each region and (iii) the DFID policy with its focus on poverty reduction has worked because the message was simple and it has been repeated consistently. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> There is a large gap between development policy statements in general and the subsequent action taken; The value of the DPS is that it serves as a reference and a framework, it focuses on poverty and it attempts to focus EC aid with the 6 defined focal sectors; The DPS did not contain any mechanism for its implementation; The practical value of such a Statement should not be overestimated. Those who are supposed to apply it (delegations and partner country governments) do not know it. The only thing they remember is the focus on poverty and the 6 focal sectors.
<p>1. EC Development Policy in broader framework of external actions</p>	<p><u>Individual comments:</u></p> <ul style="list-style-type: none"> In order to ensure coherence, the new DPS would need to take into account the foreign policy vision of the Union, including for example, the near neighbourhood. This implies taking account of foreign and trade policy objectives, and working closely with other actors/services involved, including the RELEX Commissioner. A development policy should thus be part of a broader statement, and should reflect the EU's development interests and how the EC as a whole can ensure development results. In that respect, the respondent suggested caution on how to fit the ACP into the totality of EC activities and take into account the needs of non-ACP areas; The coherence of the future DPS with the EU's broader framework of external action would be the most important point because of the changes that took place in that area. Development should be seen as a condition for stability and security; There should be cross-references between development policy and the other external policies following the structure of the Constitution ; Any policy should stress aid to the poorest countries.
<p>2. Overall poverty reduction objective</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> Several respondents commented on the definition of poverty, saying that LDCs reflect only one aspect and that poor people living in transition countries should also be taken into consideration; CSPs and RSPs did reflect the poverty reduction objective, although this might not be to the same extent in each region and is impossible to assess afterwards because there are too many priorities. MDGs are more important at a global level, but do not represent an alternative; they should be integrated in the next DPS, in which the EC should say how it can contribute to achieving the MDGs. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> The total allocations from the EC and its Member States should reflect a predominant poverty focus; The main result of the DPS is its focus on poverty alleviation, which has been integrated by operational people ; Poverty reduction has become a more significant factor since 2000 because the EC action has been linked to the PRSPs and the MDGs; The MDGs should not be applied directly in each CSP; CSPs are the results of a dialogue with partner countries.
<p>3. Mainstreaming of cross-cutting issues.</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> Cross-cutting issues, and especially good governance, were perceived as contributing significantly to poverty reduction.

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	<p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One respondent felt cross-cutting issues had been mainstreamed; • This issue very much depends on the quality of staff, the training provided and the internal will during the programming phase; • The diversity of situations is the main obstacle to mainstreaming these cross-cutting themes; there is a will to defend our values but it sometimes goes against our interests (i.e. China).
<p>4. Comparative advantage of EC development</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • EC comparative advantages cited by external experts are: infrastructure, aid-trade interface (the more the EC harmonises rules and regulations affecting trade across the Union, the more sense it makes for the EC to provide aid in this area), alignment with EC norms and regulations, regional integration, macro-economic support, politically sensitive themes; • According to external experts, the relevant basis for the EC to establish its priorities should be: the European values and dimension (the fact it provides an alternative to the US), the volume of aid, its greater neutrality and its global reach; <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • It is relatively easy to build up expertise in an area by hiring specialists. He suggested that the EC was undersupplied with top quality international professionals and that it could hire 2 or 3 people in each key sector who are internationally known and who could provide the Commission with credibility. Given its macro-economic role, why should the EC not have a Joseph Stiglitz? • The EC should try to develop a “thinking” department similar to the World Bank to counterbalance the power of the Bretton Woods Institutions. • A respondent mentioned two reasons justifying the role of EC in development cooperation: (i) EC has to be an actor in development cooperation if it wants to play the role defined in the Treaty and the Constitution and (ii) it has to be an actor itself if it wants the legitimacy to coordinate; • The EC should not play the role of a 26th donor inside the EU but should do a lot of networking and play a crucial role in alignment and harmonization; • The EC should be allowed to have some regional priorities: they have been historical (ACP) and now there is the Neighbourhood policy.
<p>5. Focal areas of EU “added value”</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • All respondents felt there has been an actual focus on the 6 sectors, although they also said that the themes are so widely defined that the actual focus is questionable; • The link with poverty reduction is less obvious in some sectors, i.e. transport; • All external experts agreed that the DPS should define wide priorities so as to allow each country/region to define its priorities and strategies, although one interviewee pointed out it might be difficult to do that because people would remember the attempt to focus EC aid in 2000 and would therefore perceive this as a step backward. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • The Commission needs to make the economic link between roads and poverty, and identify which roads to build when and to what standard to best address poverty; the EC should not feel that only the social sectors contribute to poverty reduction; • The EC has a comparative advantage in these sectors, especially in trade and regional integration. • Regarding the new areas added since 2000, the EC has a comparative advantage on political themes because some subjects, for which there is a need for coherence, are taking place at the Community level.
<p>6. An EU DPS?:</p>	<p><u>General views:</u></p>

<p>moving towards EU development policy</p>	<ul style="list-style-type: none"> • It is desirable/essential to have an EU DPS. The enlargement is an opportunity to integrate the new MS in the EC/EU development policy; • All external experts underlined that the EU has not made enough progress in implementing complementarity and that there is a strong need for a coordinated implementation. One expert felt there is a lack of political will of the Member States on the one side, and not enough EC initiative to facilitate coordination on the other. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • What the EC should be doing is increasingly defined, which is not the case for Member States. The respondent found it surprising that external policy is more and more integrated, while development policy is not. He suggested that there should be a common political framework with different implementation levels; • In the absence of an EU DPS, coordination could continue at sectoral level.
<p>7. Processes related to the definition and implementation of the DPS Other comments</p>	<p><u>General views:</u></p> <ul style="list-style-type: none"> • There should be a greater involvement of the European Parliament and a wider debate with civil society; • Several interviewees pointed out the next DPS should not be done in a rush; they felt it was better to have it later with a wider involvement of actors and developing countries and to get a full buy-in from the foreign policy people so that all parties are comfortable. <p><u>Individual comments:</u></p> <ul style="list-style-type: none"> • One interviewee insisted that RELEX should be involved in the preparation of the DPS.

2. Questionnaires

2.1. EC Delegations

Methodology: Seventeen EC Delegations have answered our questionnaire (see list in Annex E.5). Among these is the Delegation to Afghanistan, which replied to a different questionnaire compared to that sent to all other Delegations, on the request of RELEX/D. We have therefore integrated selected points from the Afghanistan return into the case study (Annex B) and elsewhere in the report, rather than include the information in the table below as the changes made to the questionnaire meant the data collected would no longer be strictly comparable with that from the other returns. Some delegations did not answer all questions. The answers in bold are those which clearly appear to stand out.

Key findings:

- Half of the respondents feel the Development Policy Statement has had a major impact. They strongly feel that EC aid has become more concentrated. A more explicit poverty focus and greater complementarity between the EC and the Member States were also considered as part of the DPS' impact;
- Delegations consider trade and regional integration as the areas where the EC has the strongest comparative advantage within the 6 focal sectors defined by the Development Policy Statement;
- Among the OECD sectors, delegations consider relief/emergency food aid, government and civil society, support to NGOs and transport and storage as the areas where the EC has the strongest comparative advantage. Some added the following sectors: PRSP monitoring, budget support and public finance reform;
- In terms of approaches, half of the respondents felt the EC's approach is strong in the following areas: partnership, focus on outcomes, regional approach to development problems;
- According to most delegations, the criteria which should determine the selection of priorities of EC cooperation are: Community competence and areas that relate to it, the size of EC development assistance and its grant nature;
- Most respondents feel that the EU has not moved sufficiently forward on implementing complementarity between the EC and the Member States. They feel that complementarity could be improved by: defining a clear division of labour between the Member States and the EC, having a shared EC/Member States database with all useful documents, increasing co-financing between the EC and the Member States and having an EU Development Policy Statement;
- The DPS is generally considered a useful tool to guide delegations' work during the programming phase. It has not been useful for the other phases of the project cycle, the reporting to headquarters and the coordination with EU heads of Missions;
- According to delegations, a "useful EC Development Policy Statement" should mainly include: an objective, EC comparative advantages and priorities;
- Delegations generally felt that children's rights and gender had not been adequately mainstreamed. They had mixed views on human rights and environment mainstreaming;

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- The main obstacles to mainstreaming the cross-cutting issues seem to be: the lack of qualified human resources in delegations, the lack of qualified human resources in headquarters (including the lack of an identified focal point), the lack of appropriate guidelines, the lack of appropriate training;
- They tend to think focal sectors should rather be defined at a country/regional level and not in a global Statement.

Interview questions	Possible answers	Number of answers	Methodological comments
1. According to you, did the 2000 Development Policy Statement (DPS) have an impact on the implementation of EC cooperation?	<ul style="list-style-type: none"> - Yes, the DPS had a major impact - Yes, but the DPS's impact was very limited - It's impossible to know if it had an impact - No, it had no relevant impact 	<p>8</p> <p>4</p> <p>3</p> <p>1</p>	
If yes, what has been its impact?	<ul style="list-style-type: none"> - EC aid has been delivered more efficiently - EC aid has become more concentrated on certain sectors - It has been possible to refer to the statement as the political basis of EC development policy - Poverty reduction has been targeted more explicitly - Complementarity between the EC and the Member States has been enhanced - The statement has provided useful instruments for improving the implementation of EC cooperation - The statement has provided targets and indicators for measuring the implementation of EC cooperation - Others: Change of focal sectors in the CSP (9th EDF) according to the priorities mentioned in the DPS. Political dialogue has become easier and donors more focused coordinated around the PRSP Budget support has been used to implement the PRSPs. <p><u>Additional comments:</u></p> <ul style="list-style-type: none"> - Financial regulations remain a constraint. - Matters have improved in certain areas, but not as a result of the management reform which accompanied the policy statement. - The DPS contains numerous points that have an obvious impact on internal organisation, work modalities and aid implementation. The principles of the Declaration have been translated into numerous internal documents and guidelines (programming, review, evaluations, ...). - This development policy does not seem to have been at the forefront of strategic thinking. 	<p>2</p> <p>12</p> <p>3</p> <p>7</p> <p>7</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p><i>Respondents could select more than one answer.</i></p>
2. Does the EC have a comparative advantage in relation to other donors in the following six focal sectors identified in	<ul style="list-style-type: none"> - Trade - Regional integration and cooperation - Support for macroeconomic policies and promotion of equitable access to social services - Transport - Food security and sustainable rural development - Institutional capacity building 	<p>3,6</p> <p>3,9</p> <p>2,9</p> <p>2,9</p> <p>2,1</p>	<p><i>Respondents had to rank the relative importance of EC's comparative</i></p>

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<p>the 2000 Development Policy Statement?</p>	<p><u>Additional comments:</u> - The EC should be better in several areas but it is a bad manager. - Comparative advantages mainly depend on the existence of a political and strategic framework and the availability of human resources. It thus favours “big” projects compared to projects requiring more substantial involvement and the management of many financial commitments (i.e. rural development, institutional support). The EC’s capacity in institutional support will probably decrease with the n+3 rule of the new financial regulation. - Regarding transport, transport planning is an EC strength, but road building/infrastructure is more for the IFIs.</p>	<p>2,3</p>	<p><i>advantages (range 0-5; 0 is no importance, 1 is weak and 5 is strong). The number represents the average of the answers.</i></p>
<p>3. In your view, what is the EC best at in the field of development cooperation? In terms of sectors?</p>	<ul style="list-style-type: none"> - Health - Structural adjustment - Education - Population policies - Food security - Other general programme assistance - Water and sanitation - Action related to debt - Relief/emergency food aid - Other emergency and distress relief - Government and civil society - Support to NGOs - Other social policies - Transport and storage - Communication - Energy generation and supply - Banking and financial services - Business and other services - Other (Please specify): PRSP monitoring Budget support Public finance reform 	<p>3 5 2 3 5 1 8 3 7 8 2 9 2 2 1 2 1</p>	<p><i>Respondents could select more than one answer.</i></p>
<p>In terms of approaches?</p>	<ul style="list-style-type: none"> - Partnership - Co-financing with other donors - Focus on outcomes - Regional approach to development problems - Other (Please specify): Co-financing <p><u>Additional comments:</u></p>	<p>8 2 7 8 1 1</p>	<p><i>Respondents could select more than one answer.</i></p>

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	<ul style="list-style-type: none"> - Special relationship in ACP countries via the NAO - The EC can only finance its own projects because it is hamstrung by a financial control culture - The sectors are the ones the EC wanted to prioritize because it has more experience there. - Importance of financial weight in pooling funds where other, smaller donors can only finance technical assistance. - The EC's approach depends on the institutional capacities of the partner country (i.e. project versus budget support). - Dialogue and open discussion are probably the most important aspects of programming but not always applied in practice. 		
<p>4. Which criteria should determine the selection of priorities of EC cooperation?</p>	<ul style="list-style-type: none"> - Excellence in certain sectors - Areas related to Community competence (eg. Trade) - Areas not covered by other donors - The existence of a European dimension and of European values - Size of EC development assistance - Grant nature of EC development assistance - Greater political neutrality - Other (Please specify): Needs of the country <p><u>Additional Comments:</u></p> <ul style="list-style-type: none"> - More than anything else, the cooperation priorities should respond adequately to the partners' priorities and to those of EC external policy. Cooperation is our instrument to have a political influence in the world. - The priorities should be matched to resources and realizable expectations; the short time frames of EC projects restrict the number of spheres where assistance can provide verifiable results (i.e. agricultural needs several growing seasons to show results and a two-year EC project cannot have much impact. This reduces the chance for sustainable poverty alleviation in rural areas). 	<p>8</p> <p>12</p> <p>5</p> <p>8</p> <p>12</p> <p>12</p> <p>5</p> <p>1</p>	<p><i>Respondents could select more than one answer.</i></p>
<p>5. Has the EU moved sufficiently forward on implementing complementarity between the EC and the Member States?</p>	<ul style="list-style-type: none"> - Yes, it has moved sufficiently forward on implementing complementarity between the EC and the Member States - No, it has not moved sufficiently forward on implementing complementarity between the EC and the Member States 	<p>5</p> <p>11</p>	
<p>If not, how could it be improved?</p>	<ul style="list-style-type: none"> - Defining a clear division of labour between the Member States and the EC - Having a shared EC/Member States database with all reports, useful documents, etc... for each sector - Increasing co-financing between the EC and the Member States - Having an EU Development Policy Statement – which would not only apply to the European Community but also to the Member States Other (Please specify) : <ul style="list-style-type: none"> - More flexible procedures allowing co financing and basket funding - Sharing of competence - Harmonisation of programming cycles and procedures 	<p>7</p> <p>6</p> <p>7</p> <p>8</p> <p>1</p> <p>1</p> <p>1</p>	<p><i>Respondents could select more than one answer.</i></p>

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<p>6. Is/was the DPS a useful tool to guide your work in the following areas?</p>	<ul style="list-style-type: none"> - Useful tool to guide political dialogue with your country - Not a useful tool to guide political dialogue with your country - Useful tool for the preparation of CSPs / programming phase - Not a useful tool for the preparation of CSPs / programming phase - Useful for the mid-term reviews - Not useful for the mid-term reviews - Useful for the implementation of EC cooperation - Not useful for the implementation of EC cooperation - Useful for the evaluation phase - Not useful for the evaluation phase - Useful for the reporting to EC headquarters - Not useful for the reporting to EC headquarters - Useful for the coordination with the EU Head of Missions - Not useful for the coordination with the EU Head of Missions <p><u>Additional comments:</u> The Communication was used as a reference together with other documents (i.e. the Cotonou Partnership Agreement), especially for a more in-depth political dialogue and a more coherent approach of EC cooperation combining basic principles (democracy, governance) with the overall poverty reduction objective.</p>	<p>7 7 11 3 6 8 1 13 4 10 1 13 6 8</p>	<p><i>Respondents had the choice between yes and no for each point. The answers in bold are the ones that clearly stand out.</i></p>
<p>7. Please rank the following aspects in terms of their relative importance for what you would consider to be a “useful EC Development Policy Statement”.</p>	<ul style="list-style-type: none"> - Contextual analysis - Objective (e.g. poverty reduction) - Comparative advantages (eg. volume of EC aid) - Priorities (e.g. infrastructure sector and regional approach) - Targets and output indicators (e.g. contributing to reducing poverty by 5% in 5 years) - Mutual accountability between donor and recipient country - A wide stakeholder consultation during its definition <p><u>Additional comments:</u> - One respondent stated “mutual accountability is a fiction”. - One respondent assumed this departed from the fundamental principles of the Cotonou Agreement (indicating with which countries we can and can not have ‘normal’ development cooperation). Otherwise the contextual analysis should have a much higher position.</p>	<p>4,5 2,6 3,5 3,2 4,7 4 4,9</p>	<p><i>Respondents had to rank the relative importance of EC’s comparative advantages (range 1-7; 1 is the most important, 7 is the least important. The number represents the average of the answers.</i></p>
<p>8. According to you, were the cross-cutting themes defined in the</p>	<ul style="list-style-type: none"> - Human rights were adequately mainstreamed - Human rights were not adequately mainstreamed - Children’s rights were adequately mainstreamed - Children’s rights were not adequately mainstreamed 	<p>7 8 5 10</p>	<p><i>Respondents had the choice between yes and no for each</i></p>

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<p>November 2000 Development Policy Statement adequately mainstreamed?</p>	<ul style="list-style-type: none"> - Environment was adequately mainstreamed - Environment was not adequately mainstreamed - Gender was adequately mainstreamed - Gender was not adequately mainstreamed 	<p>8 7 6 11</p>	<p><i>point. The answers in bold are the ones that clearly stand out.</i></p>
<p>If not, what have been the main obstacles to mainstreaming these cross-cutting themes in the implementation of EC cooperation?</p>	<ul style="list-style-type: none"> - Lack of qualified human resources in the Delegations - Lack of qualified human resources in the Brussels headquarters including - lack of an identified focal point - Lack of appropriate guidelines - Lack of appropriate training - Lack of an Intranet site with basic documents and best practices on the subject - Lack of an informal inter-delegation networks on these subjects - Other (Please specify): Focus on priorities of cooperation and cross cutting issues not considered as priorities Lack of adequate flexible procedures Lack of response from partner side 	<p>6 6 5 7 4 2 1 1 1</p>	<p><i>Respondents could select more than one answer.</i></p>
<p>9. Do you think focal sectors should be defined in a policy document, such as the Development Policy Statement, or would it better to do this at country/regional level?</p>	<ul style="list-style-type: none"> - Best in overall DPS - Better at country/regional level (maintain flexibility) - Other (specify) <p><u>Additional Comments:</u></p> <ul style="list-style-type: none"> - Situations are country specific; there can be general guidelines with respect to the way in which sectors should be chosen, but no priory choice for all developing countries. - It would be useful if the update EC general policy could be translated in operational documents (i.e. guidelines for the 10th EDF) available on time. - The DPS should define the EC global priorities (maybe by region) and the sectoral priorities should be defined in regional or national documents and take into account the EC priorities in each region. 	<p>6 9</p>	
<p>10. Do you have other comments on the 2000 Development Policy Statement and what the next DPS should contain?</p>	<ul style="list-style-type: none"> - Financial regulations have become more complex and restrictive. Serious constraint for recently deconcentrated delegations - A clearer statement on which type of countries the assistance should focus (e.g. with a sufficient score on democratization, human rights, press freedom...) - Cooperation does not only take place with the poorest countries but also with MICs who are more interested in co-financing, and where non- traditional cooperation sectors can be very useful. The EC should take account of this. - The next policy declaration should be widely communicated (national partners, Member States, civil society). DG RELEX staff should be systematically trained on these aspects, including locally hired staff in Delegations. The availability of this information of the website is not enough. - Efforts to improve programming are noted but too much remains done at headquarters, without adequate analysis of the situation on the ground and reference to realizable priorities and objectives. 		

2.2. Partner Country Governments

Methodology: Five governments have answered our questionnaire (see list in Annex E.5) and three other views were integrated (Ethiopian Government opinion expressed in the House of Lords report, an interview conducted with the Chilean Embassy to the EC and the opinion of a technical assistant to the National Authorizing Officer in Cameroon expressed on ECDPM's NAO platform). Since, the sample is very small, **the findings of this analysis should be taken with caution**. Some governments did not answer all questions. The answers in bold are those which clearly appear to stand out. For some questions, there is no clear finding.

Key findings:

- All respondents feel the Development Policy Statement relates to their national development priorities and plan;
- Most of them think it has had a major impact. The concentration of EC aid on certain sectors and a more explicit focus on poverty were the most frequently cited impacts of the DPS ;
- There is no clear answer on the comparative advantage of the EC in any specific focal sector among those defined by the DPS;
- Regarding the OECD sectors, government and civil society was cited most frequently as the area where the EC has a strong comparative advantage;
- In terms of approaches, most respondents feel that the EC's focus on outcomes and its regional approach to development problems are comparative advantages;
- According to partner countries' governments, the criteria which should determine the selection of the priorities of EC cooperation are: excellence in certain sectors, Community competence, the size of EC development assistance and its grant nature; (In some cases the fact EC support was in grant form helped partner governments to leverage other funding)
- Most respondents feel that the EU has moved sufficiently forward in implementing complementarity between the EC and the Member States ;
- Most respondents consider the DPS a useful tool for the programming phase and for the mid-term reviews;
- There is no clear answer on whether the DPS was flexible enough to take into account partner countries' priorities when it came to preparing the CSPs;
- Respondents tend to think that focal sectors should rather be defined at a country/regional level and not in a global Statement;
- All respondents feel that the 2000 Development Policy Statement should be modified to better meet their needs, especially as regards the poverty reduction objective;
- Several respondents underlined that the DPS had been very poorly communicated in developing countries, and stressed the need to better communicate any new statement to all relevant actors.

Interview questions	Possible answers	Number of answers	Methodological comments
1. Does the 2000 Development Policy Statement relate to	- Yes, the 2000 Development Policy Statement relates to our national development priorities and plan. - No, the 2000 Development Policy Statement does not relate to our national development priorities and plan.	5	

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your national development priorities and plan?	<u>Additional comments:</u> Priorities and objective of the DPS in line with national development plans.		
2. According to you, did the 2000 Development Policy Statement (DPS) have an impact on the implementation of EC cooperation?	<ul style="list-style-type: none"> - Yes, the DPS had a major impact - Yes, but the DPS's impact was very limited - It's impossible to know if it had an impact - No, it had no relevant impact 	4 1	
If yes, what has been its impact?	<ul style="list-style-type: none"> - EC aid has been delivered more efficiently - EC aid has become more concentrated on certain sectors - It has been possible to refer to the statement as the political basis of EC development policy - Poverty reduction has been targeted more explicitly - Complementarity between the EC and the Member States has been enhanced - The statement has provided useful instruments for improving the implementation of EC cooperation - The statement has provided targets and indicators for measuring the implementation of EC cooperation <p><u>Additional comments:</u> The logic of co-management was substituted by sector and budget programmes that generate greater impact and stimulate government leadership. These programmes should not only focus on poverty reduction.</p>	1 3 2 3 2 2	<i>Respondents could select more than one answer.</i>
3. Does the EC have a comparative advantage in relation to other donors in the following six focal sectors identified in the 2000 Development Policy Statement?	<ul style="list-style-type: none"> - Trade - Regional integration and cooperation - Support for macroeconomic policies and promotion of equitable access to social services - Transport - Food security and sustainable rural development - Institutional capacity building <p><u>Additional comments:</u> - One respondent considers that the EU has lately improved its comparative advantage with respect to other donors. - ICT is essential for capacity building and should be included as an EC focal sector.</p>	2,6 3,8 3,8 2,8 3,6 3,8	<i>Respondents had to rank the relative importance of EC's comparative advantages (range 0-5; 0 is no importance, 1 is weak and 5 is strong). The number represents the average of the answers.</i>
4. In your view, what is the EC best at in	<ul style="list-style-type: none"> - Health - Structural adjustment 	1 2	<i>Respondents could select</i>

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<p>the field of development cooperation? In terms of sectors?</p>	<ul style="list-style-type: none"> - Education - Population policies - Food security - Other general programme assistance - Water and sanitation - Action related to debt - Relief/emergency food aid - Other emergency and distress relief - Government and civil society - Support to NGOs - Other social policies - Transport and storage - Communication - Energy generation and supply - Banking and financial services - Other (Please specify): ICT 	<p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>3</p> <p>2</p> <p>1</p> <p>1</p>	<p><i>more than one answer.</i></p>
<p>In terms of approaches?</p>	<ul style="list-style-type: none"> - Partnership - Co-financing with other donors - Focus on outcomes - Regional approach to development problems - Other (Please specify) <p><u>Additional comments:</u> In terms of approaches, the EC is now focusing on results through the MTR process, which is very good.</p>	<p>2</p> <p>1</p> <p>4</p> <p>3</p>	<p><i>Respondents could select more than one answer.</i></p>
<p>5. Which criteria should determine the selection of priorities of EC cooperation?</p>	<ul style="list-style-type: none"> - Excellence in certain sectors - Areas related to Community competence (eg. Trade) - Areas not covered by other donors - The existence of a European dimension and of European values - Size of EC development assistance - Grant nature of EC development assistance - Greater political neutrality <p><u>Additional comments:</u> The main EC comparative advantage is the certainty of aid provision. The EC has no specific areas of excellence since all activities are subcontracted. The EC is a financier.</p>	<p>3</p> <p>3</p> <p>2</p> <p>1</p> <p>3</p> <p>4</p>	<p><i>Respondents could select more than one answer.</i></p>
<p>The EC support is in</p>	<ul style="list-style-type: none"> - Yes, EC support being in grant form did help us leverage other funding. 	<p>3</p>	<p><i>Sample to small</i></p>

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<p>grant form, did this help you leverage other funding?</p>	<p>- No, EC support being in grant form did not help us leverage other funding.</p>	<p>2</p>	<p><i>to distinguish a clear answer.</i></p>
<p>If yes, could you provide examples?</p>	<p>- European Investment Bank in risk facility - Co financing with other type of funds, credits, soft loans.</p>		
<p>6. Has the EU moved sufficiently forward on implementing complementarity between the EC and the Member States?</p>	<p>- Yes, it has moved sufficiently forward on implementing complementarity between the EC and the Member States - No, it has not moved sufficiently forward on implementing complementarity between the EC and the Member States</p>	<p>5 1</p>	
<p>If not, how could it be improved?</p>	<p>- Defining a clear division of labour between the Member States and the EC - Having a shared EC/Member States database with all reports, useful documents, etc... for each sector - Increasing co-financing between the EC and the Member States - Having an EU Development Policy Statement – which would not only apply to the European Community but also to the Member States</p>		<p><i>Respondents could select more than one answer.</i></p>
<p>7. Is/was the DPS a useful tool to guide your work in the following areas?</p>	<p>- Useful tool to guide political dialogue with the EC - Not a useful tool to guide political dialogue with the EC - Useful tool for the preparation of CSPs / programming phase - Not a useful tool for the preparation of CSPs / programming phase - Useful for the mid-term reviews - Not useful for the mid-term reviews - Useful for the implementation of EC cooperation - Not useful for the implementation of EC cooperation - Useful for the evaluation phase - Not useful for the evaluation phase</p> <p><u>Additional comments:</u> The DPS has been useful as an overall indicative framework and as an attempt to place priorities in order.</p>	<p>3 1 5 1 4 1 3 2 3 1</p>	<p><i>Respondents had the choice between yes and no for each point. The answers in bold are the ones that clearly stand out.</i></p>
<p>8. Do you think the 2000 Development Policy Statement, with six defined focal sectors, is flexible enough for the Commission to take into account your priorities when it</p>	<p>- Yes, the DPS is flexible enough for the Commission to take into account your priorities when it comes to preparing the Country Strategy Papers - No, the DPS is not flexible enough for the Commission to take into account your priorities when it comes to preparing the Country Strategy Papers</p> <p><u>Additional comments:</u> - Governments identify the areas where they want the EC to come in. EC only guides them in terms of number of focal sectors they want to look at. - The defined focal sectors are wide (flexible) enough to meet specific national/regional needs and priorities.</p>	<p>3 1</p>	

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comes to preparing the Country Strategy Papers?	- The flexibility in negotiating is more at the project level than at the programme and priority defining level (answer to the question was no).		
9. Do you think focal sectors should be defined in a policy document, such as the Development Policy Statement, or would it better to do this at country/regional level?	<ul style="list-style-type: none"> - Best in overall DPS - Better at country/regional level (maintain flexibility) - Other (specify) <p><u>Additional Comments:</u></p> <ul style="list-style-type: none"> - Focal sectors should be defined at a policy level. - A combination of a regional approach with country specificities and needs can be a valuable contribution to the better integration of their priorities. There should be a greater balance between the EC perspective and that of beneficiaries in defining focal sectors. 	2 4	
10. Should the 2000 Development Policy Statement be modified to better meet your needs?	<ul style="list-style-type: none"> - Yes, the 2000 Development Policy Statement should be modified to better meet our needs. - No, the 2000 Development Policy Statement should not be modified to better meet our needs. 	5	
If yes, what should be modified?	<ul style="list-style-type: none"> - Poverty reduction objective - Six focal sectors - Cross cutting areas - Other (please specify): <p>A stronger commitment for enhanced participation in the programming phase of partner countries is needed: stronger obligation for continuing of the process for deconcentration and decentralization of management of assistance, thus contributing in achieving Institutional capacity building focal sector.</p> <p>More focus should be given to the economic development reform, investment and structural reform.</p> <p>Poverty reduction approach has a limited vision of development which is broader.</p>	3 1	
11. Do you have other comments on the 2000 Development Policy Statement and what the next DPS should contain?	<ul style="list-style-type: none"> - Several respondents mentioned that the DPS has been very poorly communicated in developing countries. They strongly stressed the need for better communication to all relevant actors, including NSAs. - An extension of the EU programmes and instruments used for the preparation of enlargement (i.e. candidate countries), such as the cohesion and structural funds, to the SAP (Stabilisation and Association Process) countries would give an important momentum for a speedy progress of these countries towards EU integration. 		

2.3. Civil Society Organisations (South)

Methodology: Eighteen Southern Non State Actors have answered the questionnaire (see list in Annex E.5). Two more said they had never heard about it despite having followed EC cooperation for quite some time. Some Non State Actors did not answer all questions. The answers in bold are those that clearly appear to stand out.

Key findings:

- Almost all respondents feel that the Development Policy Statement relates to their national development priorities and plan;
- Half of them think it has had a limited impact. They feel that EC aid has become more concentrated and that poverty reduction has been targeted more explicitly;
- There is no very clear answer on whether the EC has more of a comparative advantage in some of the six focal sectors than in others. Food security and sustainable rural development and institutional capacity building were cited most frequently;
- Among the OECD sectors, health and government and civil society are perceived by most respondents as the sectors the EC is best at. Other sectors frequently cited are : structural adjustment, education, water and sanitation and support to NGOs ;
- In terms of approaches, most respondents felt that the EC's partnership approach is one of its assets. Half of the respondents also cited the regional approach to development problems as an area which the EC is good at;
- According to Southern Non States Actors, the criteria that should determine the selection of the priorities of EC cooperation are: excellence in certain sectors, Community competence and areas that relate to it, the areas that are not covered by other donors, the size of EC development assistance and its grant nature;
- Respondents did not have a clear view on the progress made by the EU in implementing complementarily between the EC and the Member States. According to them, complementarily could be improved by : defining a clear division of labour between the Member States and the EC, having a shared EC/Member States database with all useful documents, increasing co-financing between the EC and the Member States and having an EU Development Policy Statement ;
- The DPS has general been considered as a useful tool to guide Non State Actors' work during all phases of the project cycle as well as to guide political dialogue with the EC;
- Southern Non State Actors found almost unanimously that the DPS was flexible enough for the Commission to take into account their priorities when it came to preparing the CSPs;
- Most of them think focal sectors should rather be defined at a country/regional level and not in a global statement;
- The 2000 Development Policy Statement should be modified to better meet their (Southern NSAs) needs, especially the poverty reduction objective and the cross-cutting areas.

Interview questions	Possible answers	Number of answers	Methodological comments
1. Does the 2000 Development Policy	- Yes, the 2000 Development Policy Statement relates to our national development priorities and plan. - No, the 2000 Development Policy Statement does not relate to our national development priorities and plan.	16	

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<p>Statement relate to your national development priorities and plan?</p>	<p><u>Additional comments:</u> Five respondents added comments explaining how their national priorities (and international agreements signed by their country) were taken into account in the DPS thanks to the variety of instruments. They felt that the DPS allows an adequate and flexible response to the specific needs of their country, and relates to the main challenges faced by developing countries. One respondent stated that the inertia of bilateral donors was very strong.</p>	<p>2</p>	
<p>2. According to you, did the 2000 Development Policy Statement (DPS) have an impact on the implementation of EC cooperation?</p>	<p>- Yes, the DPS had a major impact - Yes, but the DPS's impact was very limited - It's impossible to know if it had an impact - No, it had no relevant impact</p> <p><u>Additional comments:</u> One respondent feels that NSAs should receive the same support as institutional capacity building, food security, sustainable development, good governance.</p>	<p>5 9 1</p>	
<p>If yes, what has been its impact?</p>	<p>- EC aid has been delivered more efficiently - EC aid has become more concentrated on certain sectors - It has been possible to refer to the statement as the political basis of EC development policy - Poverty reduction has been targeted more explicitly - Complementarily between the EC and the Member States has been enhanced - The statement has provided useful instruments for improving the implementation of EC cooperation - The statement has provided targets and indicators for measuring the implementation of EC cooperation</p> <p><u>Additional comments:</u> Four respondents said that the impact of EC aid is difficult to measure (limited term projects), that the rules that govern EC funding are cumbersome if not too rigid, and that implementation is slow and the effect in terms of poverty alleviation impossible to measure yet. One respondent added the aid/grant given is not proportional to the size of (the poor?) population or the urgency of the development needs of recipient countries especially in Asia, which is home to 75% of the world's poor but receives only about 7% of the total volume of EC aid.</p>	<p>6 10 4 8 4 6 4</p>	<p><i>Respondents could select more than one answer.</i></p>
<p>3. Does the EC have a comparative advantage in relation to other donors in the following six focal sectors identified in the 2000 Development Policy Statement?</p>	<p>- Trade - Regional integration and cooperation - Support for macroeconomic policies and promotion of equitable access to social services - Transport - Food security and sustainable rural development - Institutional capacity building</p> <p><u>Additional comments:</u> One comment was that EC aid does not get to poorest people. One respondent suggested that the EC should think more about the transfer of technologies as a way of facilitating the integration of developing countries in the global market, as foreseen in the EPAs. Another respondent mentioned that other donors seem to have a better way of developing local capacity. The EC</p>	<p>2,6 2,8 2,9 2,9 3,2 3,4</p>	<p><i>Respondents had to rank the relative importance of EC's comparative advantages (range 0-5; 0 is no importance, 1 is weak and 5</i></p>

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	seems to have expatriate staff that tends to dominate the scene and not enough independence and confidence is given to local counterparts.		<i>is strong). The number represents the average of the answers.</i>
4. In your view, what is the EC best at in the field of development cooperation? In terms of sectors?	<ul style="list-style-type: none"> - Health - Structural adjustment - Education - Population policies - Food security - Other general programme assistance - Water and sanitation - Action related to debt - Relief/emergency food aid - Other emergency and distress relief - Government and civil society - Support to NGOs - Other social policies - Transport and storage - Communication - Energy generation and supply - Banking and financial services - Business and other services - Other (Please specify): - Support to NSAs in general. 	11 7 8 2 7 1 8 2 3 2 11 9 3 6 2 2 2 1 1	<i>Respondents could select more than one answer.</i>
In terms of approaches?	<ul style="list-style-type: none"> - Partnership - Co-financing with other donors - Focus on outcomes - Regional approach to development problems - Other (Please specify) <p><u>Additional comments:</u> One respondent mentioned that the EC has a praiseworthy dialogue culture despite possible misunderstandings.</p>	13 6 3 8	<i>Respondents could select more than one answer.</i>
5. Which criteria should determine the selection of priorities of EC cooperation?	<ul style="list-style-type: none"> - Excellence in certain sectors - Areas related to Community competence (eg. Trade) - Areas not covered by other donors - The existence of a European dimension and of European values - Size of EC development assistance - Grant nature of EC development assistance 	8 8 7 4 10 8	<i>Respondents could select more than one answer.</i>

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	<p>- Greater political neutrality</p> <p><u>Additional comments:</u> One respondent felt that political neutrality is essential, but not when it has to do with issues of good governance. According to another respondent, the added value of the EC in areas related to Community competence could be, for instance, in the trade and environment linkage, to provide technical assistance as well as financial support to exporters to/traders with the EU to enable them to comply with the environment regulations of the EU.</p>	6	
6. Has the EU moved sufficiently forward on implementing complementarity between the EC and the Member States?	<p>- Yes, it has moved sufficiently forward on implementing complementarity between the EC and the Member States. - No, it has not moved sufficiently forward on implementing complementarity between the EC and the Member States</p> <p><u>Additional comments:</u> One respondent felt that for better coordination and complementarity, it is essential to involve the recipient countries more.</p>	4 5	
If not, how could it be improved?	<p>- Defining a clear division of labour between the Member States and the EC - Having a shared EC/Member States database with all reports, useful documents, etc... for each sector - Increasing co-financing between the EC and the Member States - Having an EU Development Policy Statement – which would not only apply to the European Community but also to the Member States Other (Please specify) : - Favour the exchange of information between the EC, Member States and NSAs.</p> <p><u>Additional comments:</u> A respondent wishes a joint partner country / EC / Member States planning to be defined in order to allow a better coordination and complementarity.</p>	4 5 5 4	<i>Respondents could select more than one answer.</i>
7. Is/was the DPS a useful tool to guide your work in the following areas?	<p>- Useful tool to guide political dialogue with the EC - Not a useful tool to guide political dialogue with the EC - Useful tool for the preparation of CSPs / programming phase - Not a useful tool for the preparation of CSPs / programming phase - Useful for the mid-term reviews - Not useful for the mid-term reviews - Useful for the implementation of EC cooperation - Not useful for the implementation of EC cooperation - Useful for the evaluation phase - Not useful for the evaluation phase</p>	12 1 11 1 6 4 7 3 9 1	<i>Respondents had the choice between yes and no for each point. The answers in bold are the ones that clearly stand out.</i>
8. Do you think the 2000 Development Policy Statement, with six defined focal	<p>- Yes, the DPS is flexible enough for the Commission to take into account your priorities when it comes to preparing the Country Strategy Papers - No, the DPS is not flexible enough for the Commission to take into account your priorities when it comes to preparing the Country Strategy Papers</p>	13	

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<p>sectors, is flexible enough for the Commission to take into account your priorities when it comes to preparing the Country Strategy Papers?</p>	<p><u>Additional comments:</u> One respondent added that the DPS is flexible enough “because it covers everything”. Two other respondents said focal sectors are defined after dialogue with local partners. It allows for local priorities to be taken into account, and that the DPS is flexible enough to take account of their priorities in terms of poverty alleviation and social inequalities. The DPS also meets the development priorities set up at a global level. The respondent who answered negatively provided an example of a programme that would not be funded because it does not fit with EC Development Policy.</p>	<p>1</p>	
<p>9. Do you think focal sectors should be defined in a policy document, such as the Development Policy Statement, or would it better to do this at country/regional level?</p>	<p>- It should be defined in a policy document, such as the EC Development Policy Statement, but rather at a country/regional level. - It should not be defined in a policy document, such as the EC Development Policy Statement, but rather at a country/regional level.</p> <p><u>Additional Comments:</u> Several respondents explained that it was important to take into account national / regional specificities and priorities which can differ widely. There is a need to align EC priorities with the ones established by developing countries. One respondent specifically said that he is against the idea of the EC intervening only in the sectors in which it has a comparative advantage in all regions, leaving the other sectors other donors. Another respondent mentioned that there was a need for political dialogue between the EU and African regional organisations.</p>	<p>3 12</p>	
<p>10. Should the 2000 Development Policy Statement be modified to better meet your needs?</p>	<p>- Yes, the 2000 Development Policy Statement should be modified to better meet our needs. - No, the 2000 Development Policy Statement should not be modified to better meet our needs.</p>	<p>8 5</p>	
<p>If yes, what should be modified?</p>	<p>- Poverty reduction objective - Six focal sectors - Cross cutting areas - Other (please specify): - Institutional support to African NGOs should be added</p> <p><u>Additional comments:</u> One respondent explained that problems had nothing to do with the objectives but with the identification and implementation of programs.</p>	<p>8 4 7</p>	
<p>11. Do you have other comments on the 2000 Development Policy Statement and what the next DPS should contain?</p>	<p>The general comments made were the following: - need for better guidelines for implementation of focal areas; - need for a strong commitment to supporting African development actors; - need for such surveys (as this Study) in partner countries; - more importance should be given to NGOs, universities and more direct collaboration with civil society, and less support should be given to state structures, which are not efficient and often corrupted;</p>		

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	<ul style="list-style-type: none"> - (The completion date for the) MDGs should be postponed to avoid a disastrous result; - Trade should be taken into consideration by the EC as an essential element for sustainable development; lower taxes would help its promotion; the EC should adopt practical measures to encourage this sector: education, employment/auto-employment, democracy and effective participation of NSAs into the cooperation as foreseen in the Cotonou Partnership Agreement; - the DPS should also be coordinated with the trade policies of the EU. In the context of the WTO/multilateral negotiations, flexibility and assistance should be granted to the developing countries, taking into consideration the latter's position, interests and sensibilities; there should be a greater coherence in EU's aid, political and trade policies; - the EC should take more into consideration the situation of peasants and workers whose interests were not taken into consideration while defining policies (liberalization, privatization, decentralization); - dialogue among donors and access to information is fundamental - defined focal sectors help a recipient country to think and focus its programmes; they also help a government to approach other donors to fill in whatever gaps may exist; other donors then feel comfortable to co-finance EC funded programmes. 		
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E. Documentation

1. The European Community's Development Policy – Statement by the Council and the Commission

1. The question of development is even more crucial today than ever. In sub-Saharan Africa and southern Asia, over 40% of the population are still living below the poverty line: throughout the world, 800 million people, 200 million of them children, are suffering from chronic malnutrition. The school attendance ratio in the world's forty eight least developed countries is only 36%. The major communicable diseases, such as HIV/AIDS, malaria and tuberculosis, are disproportionately rife among the poor peoples of the developing countries. Globalisation, which involves in particular a steady rise in trade and private investment flows, offers some opportunities but also entails the risk of marginalisation. The debt burden often leaves developing countries no room for manoeuvre. The increasing inequality gap is proof that growth and certain forms of aid are not always enough in themselves to remedy the situation. Poverty, and the exclusion which it creates, are the root causes of conflict and are endangering the stability and security of too many countries and regions.

2. The European Union provides approximately half of all public aid to the developing countries and is their main trading partner in many cases. Its activity covers all the regions of the world. This effort reflects the essential solidarity which is an underlying feature of its international activity. The exercise of such solidarity must be seen as a major political challenge. In accordance with the principles upon which it is based, the Union needs to put this message across in every forum and ensure that it is disseminated, particularly in the other industrialised countries.

3. The Community has become a major player in the development process. The increase in the number of its external partners, the introduction of new instruments and increased financial resources have reinforced the need to define a clear and consistent strategy. The international development aims, as defined in particular in the DAC and the OECD, the results of major international conferences and the principles enshrined in the Treaty establishing the Community form the basis of that strategy, which is designed to cover all developing countries which have cooperation and partnership links with the Community. This is one of the principal recommendations adopted by the Council in its May 1999 conclusions on the evaluation of Community aid. This exercise takes place in the framework of the debate on increasing the effectiveness of external Union action and of the reform undertaken by the Commission to improve its management of the programmes involved.

4. In its communication of 26 April 2000, the Commission proposed new guidelines for the Community's development policy. The Council considers this contribution the starting-point for a process of renewal which it hopes to pursue in close consultation with the European Parliament and in a spirit of dialogue with both the developing countries and representatives of civil society. The results of this process will depend on the determination with which all concerned parties set about their task. Its success will determine the European Union's credibility on the international stage.

5. In this context, it is important that full advantage be taken of the innovatory approach resulting from the partnership agreement signed with the ACP countries in Cotonou on 23 June 2000. The implementation of this agreement provides the Community with a prime opportunity for an overhaul of its policy, thanks to a strong relationship combining political dialogue, trade and development aid. The overall nature of such an approach is an asset for the Community which it must seek to develop.

I. Principles and objectives of Community development policy

6. Community development policy is grounded on the principle of sustainable, equitable and participatory human and social development. Promotion of human rights, democracy, the rule of law and good governance are an integral part of it.

Community policy objectives

7. The main objective of Community development policy must be to reduce and, eventually, to eradicate poverty. This objective entails support for sustainable economic and social and environmental development, promotion of the gradual integration of the developing countries into the world economy and a determination to combat inequality.

Ways of combating poverty

8. Poverty is defined not simply as the lack of income and financial resources but also as encompassing the notion of vulnerability and such factors as no access to adequate food supplies, education and health, natural resources and drinking water, land, employment and credit facilities, information and political involvement, services and infrastructure. All of these are needed to enable disadvantaged peoples to have control over their development, enjoy equality of opportunity and live in a safer environment. Community development policy must, therefore, support poverty reduction strategies which embrace these various dimensions and are aimed at consolidating the democratic process, peace and the prevention of conflict, the development of social policies, the integration of social and environmental aims in macro-economic reform programmes, respect for equality between men and women, the reform or introduction of an appropriate institutional framework, the strengthening of public and private sector capabilities and natural disaster preparedness.

9. However, sustained growth, although not sufficient in itself, is an essential prerequisite for poverty reduction. The integration of the developing countries, in particular the least developed among them, into the world economy is a precondition for their growth and sustainable economic and social development. It is also important to prevent developing countries from becoming further marginalised through their non-involvement in the emergence of a world-scale information society. The Union's various means of action available under poverty reduction strategies should, therefore, be coordinated so as to cover the economic, trade, political, institutional, social, cultural and environmental aspects of development.

10. Notwithstanding its role in the wider framework of the Union's external action, development policy must reflect a breakdown of resources which takes account of the effect of such resources on poverty reduction. Consequently, particular attention must be paid to the situation of the least developed and other low-income countries as part of an approach which also encompasses the efforts by the governments of the partner countries to reduce poverty as well as their performance and their absorption capacity. Among the of middle-income countries, encouragement and attention should be concentrated on those in which the proportion of poor people continues to be high and which are fully committed to implementing coherent poverty-reduction strategies.

Primacy of the role of the developing countries

11. Ownership of their strategies by the partner countries is the key to the success of development policies. With that in mind, the most wide-ranging participation of all segments of society should be encouraged in order to create conditions for greater equity, for the participation of the poorest in the fruits of growth and for the strengthening of the democratic system. Commitments entered into by developing countries and industrialised countries at major United Nations conferences form a common frame of reference for a mode of development centred on social and human aspects and on the sustainable management of natural resources and the environment. On the basis of those elements, the European Union attaches prime importance to the quality of the dialogue with the partner countries. That dialogue should make it possible to ensure coherence between the policies pursued by the country and Community support operations. It should also deal with conditions for efficient cooperation, directed in particular towards capacity-building in the partner country and good governance, with a view to ensuring transparent and responsible management of all the resources devoted to development. Those parameters should be taken into account in the distribution of development aid in order to allocate it to where it has the greatest chance of reducing poverty efficiently and sustainably.

II. Towards the refocusing of Community activities in a more limited number of areas

12. In the furtherance of these aims and principles, the necessary means should be sought to maximise the impact of Community development policy. To that end, priorities for action need to be defined and more precise sectoral strategies need to be drawn up. In the light of the human resources available to the Commission, there is also a need to concentrate Community activities in a limited number of areas selected on the basis of their contribution towards reducing poverty and for which Community action provides added value.

13. In its communication to the Council, the Commission has drawn up a list of six areas clearly meeting these criteria: link between trade and development; support for regional integration and cooperation; support for macro-economic policies; transport; food security and sustainable rural development; institutional capacity-building, particularly in the area of good governance and the rule of law.

The Council approves these choices and makes the following comments:

Link between trade and development

14. As a leading player in the area of trade and development aid, the Community has a role to perform in ensuring that a link is established between these two areas. It is the task of the Community to ensure that development policies and trade and investment policies are complementary and mutually beneficial. The reform of trade policies introduced by the developing countries must be compatible with their own objectives and development strategies and must enjoy increased and more consistent international support. The liberalisation of trade and investment in the developing countries must proceed at a pace which is consistent with their fragile economies and must set out to maximise the dynamic long-term effect on society, while minimising adjustment costs. Preferential access to the markets of the developed countries is a further contributory factor in the process of economic development and integration of the developing countries, and in the first instance the least developed among them, into the world economy. The Community has undertaken to improve market access for those countries. However, improved access is not enough. Other factors also need to be considered: supply and competitive constraints, the ability of the developing countries to benefit from the opening up of the market, enhanced cooperation in trade-linked areas, technology transfers, access to information and to world networks, investment promotion strategies and private sector development. Coverage of all these aspects calls for the appropriate level of support. Financial support will naturally have to be accompanied by enhanced investment and trading security. All in all, the objective is to help our partners to benefit from globalisation, to manage the impact of that process and to minimise its negative effects.

Regional integration and cooperation

15. Regional integration and cooperation contribute to the integration of the developing countries into the world economy and play a decisive role in consolidating peace and preventing conflict. They alone enable the countries involved to face cross-border challenges, in particular in the field of the environment and the use and management of natural resources. In the light of its experience and of the instruments at its disposal, the Community is in a position to support efforts in this direction by the developing countries.

Support for macro-economic policies and promotion of equitable access to social services

16. The Union's political and financial weight enables it to participate, in consultation with the Bretton Woods institutions, in improving the macro-economic framework of the partner countries. The policy in this area is a decisive factor in ensuring, in the context of tight and efficient public finance management, a fair distribution of the fruits of growth and access to basic social services such as education and health, and in encouraging the emergence of an investment-friendly environment. Macro-economic reforms can have sustainable effects only if they fully embrace the objectives of social, human development. This area of cooperation also has its place in the implementation of the heavily indebted poor countries initiative (HIPC), in which the Community, alongside the Member States, has made a major

contribution as creditor and, especially, as donor. The emphasis on social sectors is consistent with the approach developed in the poverty reduction strategy papers (PRSP) which form an integral part of this initiative. In line with the macro-economic framework, the Community must also continue its support in the social sectors (health and education), particularly with a view to ensuring equitable access to social services. Such support will take the form of sectoral programmes and will be based on a dialogue with all the partners.

Transport

17. The Community has acquired unparalleled experience in the construction and maintenance of transport infrastructure, for which it has the financial standing to mobilise the large-scale investment required. Efficient transport systems are in fact essential to economic and social development and to access to the basic social services. The involvement of partner countries is a condition of the sustainability of these efforts.

Food security and sustainable rural development

18. Sustainable rural development and food security are an important component of the anti-poverty strategies of the Community, which subscribes to the undertakings entered into at the World Food Summit and remains a major partner under the London Food Aid Convention. Community action must develop in the light of the ongoing discussions on the relationship between food security as an objective which contributes to reducing poverty and food aid as an instrument of humanitarian aid. A closer link will also need to be sought between food security policy and humanitarian aid in the context of the link between emergency and development. As regards rural development, efficiency and sustainability can be assured only through long-term strategies prepared and implemented on a participatory basis which make it possible to reflect the priorities of the rural world in general and sectoral policies. The Community has acquired considerable experience in those areas.

Institutional capacity-building

19. Democratic institutions which work are a condition of sustainable development. Good governance, which includes the fight against corruption, and the rule of law are decisive in strategies to reduce poverty. In that connection, the Community is especially well placed to support the strengthening of the partner countries' institutional capacities. Community action is more neutral than action by the Member States, which have their own history and are bound by a specific legal system. Community solidarity and the Community's integrated approach to cooperation are undoubtedly major assets. Resources will need to be deployed in all areas of aid focus, in particular trade, economic policies, the social sectors and regional integration.

Horizontal aspects

20. At every stage of execution of the activities previously reviewed, the Community also needs to mainstream cross-cutting concerns comprising the promotion of human rights, equality between men and women, children's rights and the environmental dimension. Protection of the environment must be included in the definition and implementation of all Community policies, particularly in order to promote sustainable development. To this end, environmental issues should be systematically incorporated into the Community's development instruments.

Those cross-cutting topics are at once objectives in themselves and vital factors in strengthening the impact and sustainability of cooperation. Reference texts adopted in the framework of the United Nations or in the Community are available in this context. Conflict prevention and crisis management require systematic attention in view of the serious implications for the developing countries concerned.

Other aspects

21. In view of the global dimension of the problem and the gravity of the communicable disease situation and its impact on poverty, accelerated action by the Community and its Member States in this field, targeting its various dimensions, must be considered an absolute necessity.

22. Developments in information and communications technologies offer developing countries many opportunities, particularly for the upswing of the private sector. Efforts must be made to prevent those technologies from becoming a new marginalisation factor. The Community and its Member States must make their contribution, by rapidly examining the approach they might adopt for this purpose. Finally, the Community must continue to promote research in developing countries.

III. What methods are required to ensure more effective and efficient cooperation?

23. The Council's first objective in recognising the need to clarify the strategic thrust of Community development policy was to step up the impact and efficiency of Community aid. To that end, a closer link with other common policies and with Member States' activities is a necessity.

Reform of external aid

24. The Commission has initiated a reshaping of its external aid management for which it is primarily responsible. In particular, it has undertaken to strengthen the programming process, establishing a quality support group to ensure the consistency of strategies defined for all the developing countries and introducing a process of deconcentration and decentralisation intended to bring decision-making closer to partner countries. Simplification of the Financial Regulation and increased human resources, particularly within the delegations, are also necessary. The Council welcomes this commitment to reform and supports the Commission in the swift implementation of its proposals. In so doing, the Commission will need to safeguard the Community's operational capacity and increase it in the long term.

25. This approach must have implications for Community aid instruments. The introduction of rolling programming conducive to the coverage of the needs and performance of the beneficiary countries and their development in time and increased recourse to sectoral support and to direct budgetary aid where the conditions so allow and where subsequent monitoring may be introduced are likely to help to lead to more efficient management and a more efficient allocation of resources. The new ACP-EC partnership procedures may be regarded as exemplary in this respect.

26. Furthermore, the Community needs to learn more from the lessons of the past and to develop an approach based on results. It is necessary to step up the appraisal function and base it on the principle of independence. The lessons learned from the results of appraisal must be taken into account in the planning of new programmes and projects.

27. The link between development cooperation and humanitarian aid is a matter of cardinal importance, determining as it does the capacity of the Union to tailor its cooperation to the changing needs of countries beset by conflict or natural disaster. A continuum between urgency, rehabilitation and development needs to be sought.

28. The refocusing of management committee tasks in the direction of the strategic aspects of cooperation has been initiated, with the aim of streamlining procedures. Such a measure will enable the Member States to focus their attention on policies, country-by-country programming, sectoral strategies and topics requiring European coordination upstream of international discussions. It will, of course, be necessary to see that maximum possible transparency is maintained and that close consultation takes place on individual projects, in particular through operational coordination.

Coordination

29. The Treaty establishing the European Community provides that the Community and the Member States shall coordinate their development cooperation policies and consult each other on their aid programmes, including in international organisations and during international conferences. The possibility of joint action and a contribution by Member States towards Community aid programme implementation are also mentioned.

30. Increased coordination within the Union offers great scope for increasing aid efficiency. Greater knowledge of the measures undertaken by the Community and by its Member States is a precondition for deriving the greatest benefit from aid. Reciprocal information exchanges

must, therefore, be encouraged so that the Union has the tools enabling it to have a general overview of its effort that encompasses all the instruments used.

31. Special emphasis also needs to be placed on stepping up coordination between Member State and Commission representations on the ground in the closest possible liaison with the partner country at every stage in the Community programme formulation, implementation and evaluation process, making good use of country strategy papers. This is consistent with the process of deconcentration and decentralisation which the Community wishes to implement.

32. The dialogue with other donors, in particular the Bretton Woods institutions and United Nations agencies, also needs to be improved. In addition, the Union should ensure that it encourages the partner country in its primary coordinating role, at the service of the development strategies which the partner country has itself defined. Harmonisation of its procedures is necessary to that end. The Community will also encourage the partner country in its leading role in coordinating the collective efforts of all the donors under initiatives such as the Comprehensive Development Framework.

33. Finally, the Union must be consistent in its statements and must whenever possible speak with one voice in international fora, in order to make a stronger case for its development policy and exert a greater influence on the emergence of international consensus in this field. Its credibility and the consistency of its actions are at stake here.

34. All in all, increased coordination within the Union will enhance the visibility of European aid, for the benefit of the partner countries. It is less a question of flag waving than of strengthening the capacity of the Union to influence events so that its effort provides a sufficient lever for its objectives to be attained. Greater effectiveness and a greater impact are key factors for increased visibility.

Complementarity

35. Strengthening complementarity is a response to the need for a better division of labour between the Community and the Member States. No donor can lay claim to excellence in every country and in every sector of cooperation. It is, therefore, important that the experience gained by the Community and its Member States be put to profitable use and that on a case-by-case basis the allocation of tasks be in keeping with the primary role falling to the partner country and take account of each party's comparative advantages.

36. Likewise, relations with the Bretton Woods institutions and the United Nations agencies and other donors are of great importance. Fund providers must be increasingly able to share their experiences and their analyses, particularly when they implement sectoral approaches.

37. The concentration of Community activities in a more limited number of sectors is wholly consistent with this approach. The possibility of delegating Community appropriation management to the Member States or to their operating agencies in the case of co-financing operations, as laid down in the internal agreement on the 9th EDF, will be a further contributory factor. The preparation of country strategy papers provides a special opportunity for promoting complementarity.

38. The contribution made by a broad spectrum of participants from civil society to Community policy is already recognised in the framework of the new partnership with the ACP countries. Implementation of an approach that encourages greater participation by non-governmental organisations, economic operators, social partners and the private sector must be encouraged in the context of the Union's relations with the rest of the world. It is of quite particular importance to reinforce the partnership with the NGOs, both in Europe and in the developing countries and to support capacity-building among non-State players in the partner countries in order to facilitate their participation in the dialogue on strategies and in the implementation of cooperation programmes.

Coherence

39. There must be greater coherence between the various Community policies focused on sustainable development. Efforts must be made to ensure that Community development policy objectives are taken into account in the formulation and implementation of other policies affecting the developing countries. The way to achieve this is to make a systematic and thorough analysis of any indirect effects of measures in especially sensitive areas and to take development problems into account in the Commission decision-making process.

IV. Implementation and follow-up

40. The clarification of Community development policy in the context of a declaration is meaningful only if it can be quickly acted upon. It is, therefore, important to state clearly the operational content of the objectives, principles and methods reviewed above.

41. Accordingly, it is essential that the Commission prepare an action programme based on results.

42. The implementation of the new approach has to be seen as a process which brings long-term changes, requiring considerable political will and the maintenance of a climate of trust. Regular follow-up will enable the Community to verify the results achieved and, if necessary, to proceed with the adjustments inherent in an ongoing process.

43. An assessment of the implementation of the general policy declaration and of the action programme will need to be compiled regularly. With that in view, the Commission is requested to submit to the Council and to the European Parliament an annual report on Community development policy, containing in particular qualitative aspects. An evaluation of that policy will need to be considered at the appropriate time.

44. In order to make public opinion aware of the challenges and objectives of European solidarity in respect of the developing countries, the widest possible publicity will need to be given to this declaration. The Council and the Commission will take the necessary steps, encouraging development education in particular.

Summary

The European Union is a major player in the development sphere. It is the source of approximately half of the public aid effort worldwide and is the main trading partner for many developing countries. This declaration expresses the Council's and the Commission's intent to reaffirm the Community's solidarity with those countries, in the framework of a partnership which respects human rights, democratic principles, the rule of law and the sound management of public affairs, and to begin the process of renewing its development policy based on the search for increased effectiveness in liaison with other international players in the development sphere, and on the involvement of its own citizens.

The principal aim of the Community's development policy is to reduce poverty with a view to its eventual eradication.

Poverty, which includes the concept of vulnerability, results from many factors. The Community is therefore determined to support poverty reduction strategies which integrate these many dimensions and are based on the analysis of constraints and opportunities in individual developing countries. These strategies must contribute to strengthening democracy, to the consolidation of peace and the prevention of conflict, to gradual integration into the world economy, to more awareness of the social and environmental aspects with a view to sustainable development, to equality between men and women and to public and private capacity-building. These aspects must be taken on board by the partner countries and included in dialogue between the State and civil society.

The Community will concentrate on six areas which have been identified on the basis of the added value of Community action and of their contribution to poverty reduction: the link between trade and development; regional integration and cooperation; support for macro-economic policies and the promotion of equitable access to social services; transport; food security and sustainable rural development; and institutional capacity-building. Attention will consistently be given to human rights, to the environmental dimension, to equality between men and women and to good governance.

The Community's development policy concerns all developing countries. As regards the allocation of resources, the least developed countries and low-income countries will be given priority, in an approach which will take account of their efforts to reduce poverty, their needs, their performance and their capacity to absorb aid. Poverty reduction strategies will also be encouraged in middle-income countries where the proportion of poor people remains high.

The Community and its Member States will coordinate their policies and programmes in order to maximise their impact. Better complementarity will be sought both within the Union and with other donors, in particular in the context of country-by-country strategies. To ensure

consistency, the objectives of Community development policy will be taken into greater account in the conduct of other common policies.

The Council supports the Commission in its efforts to manage the Community's external aid more effectively. Particular roles are played by the current restructuring of the Commission's departments, by the more important place being afforded to programming, by the orientation of programmes towards results, by the development of an appraisal culture, by beginning the process of deconcentration and decentralisation, and by refocusing management committee tasks towards the strategic aspects of cooperation. The simplification of the Financial Regulation and a better allocation of human resources, as requested by the Commission, must be encouraged.

This declaration on the Community's development policy is to be accompanied by a Commission action plan which will define its implementation in practice. This will be subject to constant monitoring, in particular by means of the presentation of an annual report.

2. Terms of Reference: Assessment of the European Community Development Policy

2.1. Introduction

The Joint Declaration by the Council and the Commission on the European Community development policy was adopted in November 2000. The Declaration clarified the overall objectives and principles of Community's development policy and identified focal areas of value added where it would concentrate its action. The policy statement is almost four years old, while many events have further shaped the international scene and influenced the way we think about development and put it into effect. A reflection is due on EC development policy, the validity of its underlying principles, its effectiveness, the relevance of its comparative advantages.

The consultants will propose a methodology and precise time framework to carry out the study, taking into account all issues defined below.

2.2. Background

The EC initiated a process of reform of the management of its external assistance in 2000. It adopted its first development policy in November 2000 as part of this process. This policy has been well received by development practitioners as it, for the first time, offered a coherent framework for EC development actions with a clear focus on poverty reduction. It has also helped framing EC development interventions around six focal areas where the organisation has comparative advantages. Programming instruments were also devised to ensure that external assistance would reflect the EC's policy objectives and priorities. It is foreseen to evaluate the Policy at some point in time between 2004 and 2006, as stated in the GAERC Council Multiannual strategic programme.

Europe and the world have changed radically over the last years. Many events of both political and developmental nature have affected the recurrent development paradigm and will shape the global agenda for years to come. A political and economic global player, and the world's first largest donor, the EU needs to reflect its weight and responsibilities and frame its relations with developing countries accordingly. An assessment of the 2000 EC development policy is called for, with a view to revising the Joint Declaration. Some events are highlighted below to guide the analysis of achievements and future challenges:

- 9/11 and the increased threats of global terrorism have created a new focus on issues related to peace and security in international relations.
- Enlargement of the EU on May 1st is increasing the community of donors and adding a new ring of European neighbours. These events have had an immediate impact on the shape of EU's emerging external priorities.
- A string of important international development events has influenced recent development thinking and practices, the most important of which are the Millennium Summit (New York 2000), the World Summit for Sustainable Development (Johannesburg 2002) and the International Conference on Financing for Development (Monterrey 2002). International consensus has grown around the Millennium Development Goals and the need to focus international development efforts towards their achievement.

2.3. Objective of the study

The purpose of this study will be to assess the extent to which the EC's development policy declaration has been put into effect and to identify bottlenecks which may have hindered its implementation. .

Questions to ask:

1. Is the development policy a useful policy tool and strategic guidance?
2. Does it frame EC development actions in the field?
3. Does it reflect EC's comparative advantage?
4. Does it provide a good framework to make progress on the three C's?
5. Does it contribute to the reduction of global poverty?
6. How is it related to other EU external action policies and EU's global profile?
7. Is it being applied universally to all developing countries?
8. Does it reflect developing countries' challenges?
9. Does it reflect emerging development thinking and best practices?

2.4. Key issues and tasks

A summary of the development policy is provided in annex 1. The following are crucial issues to be assessed against that framework:

a. Overall objective of poverty reduction

- Assess the extent to which country and regional strategy papers reflect this and rank the objective in comparison with other EC political and economic co-operation objectives by regions and categories of countries according to DAC classification (LDCs, other LICs, MICs)

b. EC comparative advantages

Assess each of the following comparative advantages, including, but not limited to, the issues raised below:

Global reach: work across all regions and most countries

- How consistent have we been in our approach to different regions?
- Did we strike a fair balance between support to the good performers and the 'difficult partnerships'?

Largest source of grants for developing countries

- Were grants valued by recipient countries as an efficient mechanism for delivery of assistance compared with concessional loans? Was the provision of grants used strategically to leverage other resources (e.g. public/private partnerships -EIB or others-, or co-financing with other donors such as 'buying down' IDA loans or providing grant finance for elements like capacity building alongside loans)?

c. Six focal areas of added value

- Analyse how the concentration on sectors of EC value added was put into effect in country and regional strategies, and how the recent mid-term reviews (MTRs) may have influenced concentration, either by adding new sectors, or by shifting resources between sectors or possibly by streamlining global funds into country programmes.
- Provide evidence of EC's comparative advantages in the above focal sectors and explain if they have contributed to the overall aim of poverty reduction.
- Report on new areas that have been added and analyse the process leading to this (e.g. international commitments, lobbying by political groups, responding to country needs – for instance to support Poverty Reduction Strategies). Assess EC's comparative advantages in these new areas and whether the EC ought to focus its efforts elsewhere.
- Assess Member States' strategies to define their own objectives and priorities and make proposals for a possible geographical or sectoral division of labour.

d. Mainstreaming of cross-cutting themes

- Assess the extent to which cross-cutting themes (human rights, environmental issues, gender equality and governance in the broader sense) were taken into account in the programming cycle and in the course of programme implementation.
- Analyse their role (potential and actual) towards meeting the poverty reduction objective and the major causes which may have delayed/reduced mainstreaming.

2.5. Activities

This study will require a fair amount of review of material and extensive contacts with key interlocutors in Brussels in the Commission,. It will also include consultations with a selection of EC delegations through a questionnaire exercise. Telephone interviews with Member States and development NGOs and practitioners would form part of the process.

A lot of material is available in the form of Commission's communications and Council Conclusions on several policy documents, plus several technical papers prepared by Commission's Quality Support Groups. The consultants should also make good use of available external evaluations of EC development co-operation (e.g. OECD-DAC Peer Review and Progress Report, UK House of Lords report), as well as evaluations undertaken by the EC (several country and regional strategies, thematic and cross-cutting evaluations) and joined EC-Member States' evaluations (e.g. ongoing evaluation of coherence).

As regards issues related to country and regional programmes, the consultants should base their analysis as much as possible on the Country and Regional Strategies (CSPs-RSPs) as well as the reports of the interservice Quality Support Group (iQSG). Triangulation of these resources with interviews of EC staff in headquarters will validate the information.

A survey of 20 EC Delegations evenly represented across regions should complement the above analysis. This could be in the form of a semi-structured questionnaire although other forms of information collection could be envisaged (e.g. taking advantage of Heads of Delegations' annual meetings in Brussels to organise focus groups).

The assessment of ownership and participation principles will entail consultation with representatives of developing countries from governments and non-state actors' associations. A snappy questionnaire to be forwarded through the above Delegations may be the most effective solution to avoid burdening the respondents but alternative proposals can be made by the experts. It is advisable to use existing formal channels such as the ACP Secretariat and NGO's networks and platforms such as Concord.

2.6. Qualifications and Experience Required

A small (2-3) and dynamic team made up of at least a university researcher and a development practitioner with advanced academic background in development policy, social development, international relations or similar.

The two should combine expertise in development policy analysis, a sound and cutting-edge knowledge of development issues, proven experience of data collection and analysis (mainly qualitative), background knowledge of EU institutions and EC development co-operation. At least one should be a highly skilled facilitator and able to use participatory methodologies. Excellent communication skills both verbally and in writing. Ability to write concise and focused reports.

2.7. Timing (Approximate duration)

September	Finalise ToR, identify and recruit consultant(s)
October-November	Undertake study
Early December workshop	Report back and present results in Brussels

2.8. Reporting arrangements

Final report

The final output will be a comprehensive report covering the issues described above, in English, with an executive summary of not more than 8 pages. The report should make good use of tables and matrixes and include a power-point presentation with the EC logo of approximately 15-20 slides. It should be suitable for discussions with EU Member States and possibly a broader official and public audience. All abbreviations and technical terms should be explained in a glossary.

The study must be completed and the final report delivered to the European Commission within 2 months of the start date of the contract.

The consultants may be asked to present the outcomes of the study in one or two seminar-type of events for a selected Commission/Member States audience (e.g. EU Development DGs meetings).

Management

The study is being commissioned and will be managed by the European Commission's Directorate General for Development (Unit B1). Other Commission services will be directly involved through the establishment of a Task Force.

2.9. Budget

2.10. Summary of the EC development policy

EC development policy

Objectives

The overall objective of EC development policy is the reduction and eventual eradication of poverty. This does not only include material poverty, but entails a broad interpretation of poverty as vulnerability. As means to achieve the overall objective, efforts will focus on supporting sustainable economic, social and environmental development, promoting the gradual integration of the developing countries in the world economy, and combating inequality.

Focal sectors

Six focal sectors were selected as priority areas for better efficiency of EC assistance. The sectors were identified as areas in which Community action has added value, and also as having a significant impact on poverty reduction. Ideally complementarity would be enhanced by a similar prioritisation by the MS.

1. Link between trade and development
2. Regional integration and co-operation
3. Support for macro-economic policies and the promotion of equitable access to social services (health and education)
4. Transport
5. Food security and sustainable rural development
6. Institutional capacity building

Cross-cutting themes

Three main cross-cutting themes were identified for consideration and inclusion in all sectors and in all countries:

1. Human rights
2. Environmental issues

3. Equality between men and women

Good governance was implicitly regarded as an overarching cross-cutting theme.

'The three Cs'

Coordination – between the Community and the Member States on development policy and implementation of aid programmes

Complementarity – ensuring a better division of labour between the Community and the Member States to ensure harmonization of poverty reduction efforts in line with each donor's comparative advantages in different sectors or countries.

Coherence – between different Community policies having an impact on development, ensuring that development policy objectives are taken into account in the formulation and implementation of other policies as well.

Principles

Ownership – should rest with the partner countries, to ensure the success of development policies.

Participation – All segments of society, including non-state actors and poor people, should be encouraged to participate in the definition of development and cooperation strategies. Following the Cotonou Agreement, a participatory approach is a binding obligation both for the EU and for the ACP states.

Allocation of resources – Least developed and low-income countries should be given priority, although middle-income countries with a high proportion of poor people will also receive support in line with their poverty reduction strategies. Allocation of resources will be based on needs, efforts to reduce poverty and aid absorption capacity.

3. Interviews

3.1. Questions for structured interviews

0) Familiarity with the DPS and what constitutes a successful DPS

- 0.1 According to you what is the main value of the DPS and what are the main issues included in this document?
- 0.2 Do you think the appropriate mechanisms were established to fully implement the DPS?
- 0.3 What constitutes a successful DPS according to you? What features should it include (priorities instruments, indicators ...)?
- 0.4 Was the 2000 EC DPS successful according to these criteria?
- 0.5 Has the development policy proven to be a useful policy tool and strategic guidance? How?

1) EC Development Policy in broader framework of external actions

- 1.1 How coherent is the DPS with the EU's broader framework of external action? How has this framework changed in your view since the DPS came out? In what ways and should the DPS be adapted to this new situation?
- 1.2 Do you think the DPS is right to stand alongside other external policies (security migration, Neighborhood Policy)?
- 1.3 Does the DPS provide useful guidelines to ensure coherence between the development policy and other EU policies which affect developing countries (i.e., trade, fisheries, agriculture, etc.)? In what way(s)?
- 1.4 To what extent is the DPS still relevant given all the other EC/EU commitments such as the MDGs, the Monterrey finance for development conference, water and energy initiatives, etc.?

2) Overall poverty reduction objective

- 2.1 Since the DPS came out, was poverty reduction a more significant factor in the allocation of EC development resources? How? Should more resources have been provided to the least developed countries? Why or why not?
- 2.2 According to you, was poverty reduction sufficiently taken into account when it came to allocate resources to difficult partners?
- 2.3 Do the Country and Regional Strategy Papers sufficiently reflect the importance of the poverty objective, in relation with other EU strategic goals?
- 2.4 Do you consider the MDGs to be a more effective policy framework than the DPS for achieving the overall poverty reduction objective? Why?

3) Mainstreaming of cross-cutting issues.

- 3.1 To what extent were the so-called cross-cutting themes (human rights, environmental issues, gender, governance, etc.) taken into account – mainstreamed— in the programming and implementation of EC aid? How do you integrate them into your particular work?
- 3.2 What are the main obstacles to mainstreaming these cross-cutting themes? How might they be overcome?
- 3.3 Do the cross-cutting themes in the DPS contribute significantly to the poverty reduction objective? How?

4)Comparative advantage of EC development

- 4.1 In your view, what are the European Community's comparative advantages in the field of development cooperation? In other words what is EC best at?
 - In terms of sectors / themes?
 - In terms of instruments / approaches (partnership, regional approach, focus on outcomes...)?
- 4.2 Does the DPS build on these adequately?
- 4.3 What basis do you think is the most relevant for the EC to establish its priorities? For example:
 - excellence in certain sectors,
 - Community competence,
 - areas left out by other donors,
 - European dimension and values, ...
- 4.4 Should there be greater preference for certain regions or should the EU be more consistent in its approach across different regions? Explain.
- 4.5 Is the fact that the EC is almost exclusively a grant-provider a comparative advantage or should the EC expand its aid instruments? Why?

5)Focal areas of EU "added value"

- 5.1 Did EC development practice actually concentrate on the 6 focal areas? If not, where did it focus and why?
- 5.2 Do the 6 focal sectors in the DPS contribute significantly to the poverty reduction objective? How?
- 5.3 Does the EC have a comparative advantage (in relation to Member States and other donors) in the chosen focal sectors? Explain.
- 5.4 How were focal areas put into effect in country and regional strategies that you are familiar with and during the mid-term review process?
- 5.5 Do you think the EC has a comparative advantage on the new areas added since 2000 (new commitments)? Explain.
- 5.6 How permissive should the DPS be in defining or not priorities? Do you think concentration in certain sectors should be defined in the DPS or rather at a country/regional level?

6)An EU DPS?: moving towards EU development policy

- 6.1 Should we move away from the current "25+1" approach to a truly EU development policy? If so, how? Is it desirable? Is it realistic?
- 6.2 Has the EU moved sufficiently forward on defining and implementing a clear division of labor / complementarity between the EC and the Member States? If not, what have been the main obstacles?
- 6.3 If complementarity and a division of labor is not the way forward towards a single EU DPS, do you see other productive routes that could be followed?

7) Processes related to the definition and implementation of the DPS

- 7.1 Are you familiar with the process leading up to the DPS in 2000? If so, what do you consider were its main strengths and weaknesses?
- 7.2. Should there have been a wider consultation process?
- 7.3. What kind of process should lead to the definition of the future DPS and would ensure its legitimacy?

3.2. List of persons contacted

European Commission	
Francesco Affinito	DG Development - Relations with the countries and the Region of the Pacific Desk Officer for the Pacific ACP Region
Michel Arrion	ECHO - General Policy Affairs; Relations with European Institutions, Partners and other Donors ; Planning Co-ordination and Support; General Support for Major Crises Head of Unit
Lionel Atlan	AIDCO – Coordination for the Mediterranean Region Information Officer / Coordinateur Questions Horizontales
Laura Baeza	DG Relex – Horizontal Matters Head of Unit Horizontal Matters, MEDA
Mikael Barfod	AIDCO – Coordination for the ACP Countries Head of Unit, Geographical Co-ordination ACP
Pierre Borgoltz	DG Relex – Caucasus and Central Asia Cooperation Coordinator Southern Caucasus and Central Asia
Ulrike Braun	DG Development – Relations with the Countries and the Region of Southern Africa Desk Officer for Lesotho and Swaziland
Alexandra Chambel Figueredo	AIDCO Evaluation Unit Evaluation Manager
Patrick Child	DG Relex Cabinet Ferrero-Waldner Head of Cabinet
Jean-Louis Chomel	AIDCO Evaluation Unit Head of Unit
Marie-Anne Coninx	DG Relex – Horizontal Matters Head of Unit
Martin Dihm	DG Trade – Economic Partnership Agreements Co-ordinator Pacific, WTO
Joao Duarte de Carvalho	DG Development – Relations with the Countries and the Regions of the Horn of Africa, Eastern Africa and Indian Ocean (Incl. COMESA) International Aid/Cooperation Officer – Desk Officer for Ethiopia and Eritrea
Carl-Henrik Hall	DG Development – Relations with the Countries and the Region of the Pacific Desk Officer for Solomon Islands
Friedrich Hamburger	DG Development Cabinet Nielson Head of Cabinet
Noora Hayrinen	DG Relex – Albania, Bosnia and Herzegovina, Croatia and the Former Yugoslav Republic of Macedonia Assistance Desk Officer - Albania
Peter van den Heuvel	DG Trade – Co-ordination of WTO, OECD, Trade Related Assistance; GATT; 133 Committee Desk Officer Policy & Negotiations; Co-ordinator Trade & Development Team
Androulla Kaminara	AIDCO - Coordination for the ACP Countries Geographical Co-ordination for Caribbean, West and Central Africa and Devolution of ACP Delegations
Walter Kennes	DG Development – Development Policy, Coherence and Forward Studies Policy Desk Officer
Christopher Knauth	DG Relex – Horizontal Matters

Interviews

	Desk Officer for SAARC, EU Strategy on Human Rights and its Application to EU-ASIA Relations , and other cross-cutting Issues of Co-operation with Asia
Mark Leysen	DG Development – Relation with the Countries and the Region of Southern Africa Desk Officer for South Africa
Alistair MacDonald	DG Relex – Horizontal Matters Head of Unit
Bertin Martens	DG Relex – Horizontal Matters Responsable Questions Économiques Maghreb, CCG et Yemen
Gustavo Martin	DG Relex – Mercosur, Chile Head of Unit
Thomas McGovern	AIDCO – Coordination Asia Head of Unit
Alessandro Moscuza	AIDCO
Jan-Peter Mout	DG Trade - Coordination of WTO, OECD, Trade Related Assistance; GATT; 133 Committee
Panayiotis Passadeos	DG Development – Relations with the Countries and the Region of Southern Africa Desk Officer for Malawi and Mozambique
Sylvie Proveur	iQSG Secretariat Administrator
True Schedvin	AIDCO Evaluation Unit Evaluation Manager
Claus Sørensen	DG Trade Former Head of Nielson Cabinet
Pieter Van Steekelenburg	AIDCO Evaluation Unit Evaluation Manager
Fredrik Svedang	DG Relex – Horizontal Matters Deputy Head of Unit
Cecilia Thorfinn	DG Development – Development Policy and Sectoral Questions iQSG
Constantin Vardakis	DG Relex – Caucasus and Central Asia International Relations Officer – Desk Officer Kazakhstan and Kyrgyzstan
Vincent de Visscher	DG Relex – Horizontal Matters Head of Unit
Susanne Wille	AIDCO Evaluation Unit Monitoring and Evaluation Manager
Julian Wilson	DG Relex – Pakistan, Afghanistan, Sri Lanka, Bangladesh, Maldives Head of Unit
European Parliament	
Marie-Arlette Carlotti	MEP-PES Bureau Member
Max van den Berg	Socialist MEP, Netherlands
Nirj Deva	MEP - EPP
Michael Gahler	MEP - EPP
Jana Hybaskova	MEP, Czech Republic
Bryan Rose	Former Head of Codev Secretariat
Guido Van Hecken	Codev Secretariat Deputy Head
Tsiguereda Walelign	EP Green Group Secretariat Policy Advisor
Anders Wijkman	MEP - CD, Sweden
Michael Wood	Codev Secretariat Head

Interviews

Member States	
Ruth Andreyeva	DFID Policy Advisor EUD
Corinne Balleix	French PERMREP
Lars Bredal	Danish PERMREP
Marek Brencic	Permanent Representation, Slovakia Third Secretary Development Cooperation – Humanitarian Aid, ACP Countries, Africa
Yvonne Desmedt-Toncic	Austria Permanent Representative for Development Working Group
Nick Dyer	DFID Head of EU Department
Josef Füllenbach	Germany - Federal Ministry for Economic Cooperation and Development, Head of European Union Division
Patrick Hemmer	Luxembourg Permanent Representative,
Javier Hernandez	Counsellor for Development Cooperation Spain Permanent Representation
Jim Kelly	Irish PERMREP
Christina Lehtinen	Finnish Ministry of Foreign Affairs Information Officer
Camilla Otto	Department of International Development - EU Department Programme Manager
Asa Palmgren	Swedish Ministry of Foreign Affairs
Timo Ranta	Finnish Permanent Representative
Antila Sinikka	Finnish Ministry of Foreign Affairs Director
Andres Tobias y Rubio	EU Council Secretariat for EU Development Working Group
Paul Ymkers	Dutch Permanent Representative
NGOs	
Carlos Buhigas Schubert	EPC Policy Analyst
Louise Hilditch	Action Aid Head of EU Policy
Nancy Kachingwe	Third World Network Ghana
Mirjam van Reisen	EEPA Director
Kathrin Schick	VOICE Director
Virato Tamele	Mozambique Debt Network
Partner Country Representatives	
Magatte Coolibali	ACP Secretariat Economic Advisor
Ricardo Herrera	Embassy of Chile to the EU Counselor for Scientific and Development Cooperation
External View	
Dieter Frisch	Former Director General DG VIII
Richard Manning	Development Assistance Committee (OECD) Chair
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4. Brainstorming report

Summary report of a brainstorming of EC officials and external experts: The future of EC Development Policy.

Date Wednesday, 20 October 2004
Location Salle Rouge, European Commission, rue de Genève 1 (ECHO), Brussels
Programme The full programme of the day is attached
Participants A list of participants is attached

OBJECTIVE OF THE MEETING

The purpose of the brainstorming meeting was to assess the November 2000 Joint Development Policy Statement and its effect on EC development policy, and to discuss options for the future. The discussion focused on the place of EC development policy in the broader framework of the EU's external action and an evolving international context, the successes and difficulties of EC development policy, the value and relevance of the Statement as a framework for guiding EC development cooperation, the added value or specificity of EC development policy, and points which should be taken into consideration in the formulation of a new policy statement. The experts from different organisations present at the meeting introduced these issues, and the discussion aimed to allow participants to present their views.

As in the course of the brainstorming a wide range of issues and ideas were raised, a reporting format was chosen which is not intended to produce a verbatim report, but aims to reflect the breadth of discussions which took place during the whole day. For this purpose, this summary report does not necessarily reflect the chronological order of comments, but groups the main issues which were discussed under a number of headings. Where possible, the summary report also traces the origin of the comments reflected.

ECDPM (Maastricht), 26.10.2004

OUTLINE OF THE SUMMARY REPORT

I. Opening session – Why a new development policy for the EC?

- Introduction by Bernard Petit, Director DG DEV/B: What's new since 2000? Major relevant development oriented events and new EU political priorities
- Presentation of ODI paper 'Revising the EU Development Policy: Issues and options' (Simon Maxwell, Director ODI)
- 1. Scope of the new development policy - The role of development policy in the EU's external relations
 - *Thematic scope of development policy*
 - *Autonomy of development policy*
 - *Geographical scope*
 - *Options for the new DPS*
- 2. An EC or an EU policy?
- Chairperson's summary of the opening session (ECDPM)

II. Session 1– Implementation: Making the Development Policy Statement operational

- 3. What are the successes of the Development Policy Statement
 - *Improved quality and coherence*
 - *Concentration*

- *Trade and Development*
- *Broad focus*
- *Practical success*
- 4. What are the bottlenecks - which problems were encountered?
 - *Focus too limited - The Focal sector approach*
 - *Consensus (EP) and coordination (with MS) in Europe*
 - *Country strategies*
 - *Other Weaknesses*
- 5. How could the implementation of the DPS be improved? (Summary of points)
- Chairperson's summary of Session 1 (ECDPM)

III. Session 2 – Comparative advantages of EU Development policy

- 6. EC development policy comparative advantages/ added value/ specificity
- 7. How to strengthen EC development policy?
- Chairperson's summary of Session 2 (ECDPM)

IV. Session 3 – Making the poverty focus operational in EU Development policy

- 8. What should be the focus of EC development policy?
- 9. Which criteria should be used for selecting themes/ cooperation priorities?
- Chairperson's summary of Session 3 (ECDPM)

V. Closing session – Main conclusions of the day

- What have been the effects of the 2000 DPS on policy processes, inter-institutional linkages, on implementation?
- Content issues raised:
- A new DPS

I. OPENING SESSION – WHY A NEW DEVELOPMENT POLICY FOR THE EC?

Introduction by Bernard Petit, Director DG DEV/B: What's new since 2000? Major relevant development oriented events and new EU political priorities

- ***Why a revision of the Development Policy Statement (DPS)?*** Since the November 2000 Declaration:
 - (i) The world has changed - security aspects have become more important, globalisation has intensified, poverty increased...
 - (ii) Development itself has changed - there is a consensus between developing and developed countries on the objectives of development - the MDG.
 - (iii) Europe has changed - The EU has enlarged to 25 member states (How to work together as 25+1?), the new Financial Perspectives propose new instrumentsThis necessitates to verify the pertinence of the November 2000 Declaration, and the impact, comparative advantage and modalities of EC assistance compared to other donors.
- Some evidences:
 - (i) Necessity of review
 - (ii) Development policy is one of the major long term responses to the challenges of today: (1) security and (2) increasing inequalities.

- (iii) The principles of the November 2000 Declaration are even more important today than they were before: ownership, partnership with civil society, coherence with other policies.
- (iv) It is no longer possible to work as 25+1 - We have to review the way we work together for (1) credibility, (2) EU influence at global level, (3) responding to the challenges faced by developing countries, (4) improved efficiency.
- Calendar of the review process: the Commission needs a framework for action for the next five years soon - the timetable is tight.
 - 15 November 2004 - First draft of an issues paper submitted as a working document (final document ECDPM/ODI to be submitted before Christmas)
 - Early December - issues paper submitted for consultation
 - Consultation of 'grand témoins' and of EU Member States, civil society, the European Parliament, developing countries and online consultation.
 - Mid-February 2005 - consultations close; informal Council
 - End February - consultation event (as for previous Green Paper)
 - 15. March - Commission Communication
 - 26. April 2005 - Discussion in the Council

Presentation of ODI paper 'Revising the EU Development Policy: Issues and options' (Simon Maxwell, Director ODI)

- **What does a good development policy look like?**
 - Examples from other countries' policies were assessed against a number of criteria (with a variety of results): contextual analysis, key issues and trade-offs, comparative advantage, priorities, action-orientation, accountability, stakeholder consultation. At the very least, a good policy covers all these issues.
- It is interesting to see the differences between the Commission's Communications and actual policy as agreed by the Council.
- **Is there a distinct European perspective on development?**
 - (i) **Objectives** of development policy: the MDG. These are extracted from the Millennium Declaration, which has wider focus than the MDG alone - social inclusion. The Millennium Declaration is a statement of objectives beyond the MDG which reflects European thinking.
 - (ii) **State and market:** The pendulum is shifting away from the market to the state (e.g. recent DFID White Paper on Globalisation - "same distance - different speeds"). We should not impose liberalisation on countries - a long-term European perspective.
 - (iii) **Governance:** Rules, institutions and multilateralism are in ascendancy - There is a distinct European voice in this.
- **What are the issues for a new DPS?** - See the various EC Communications which came out since November 2000
- **What are the EU's comparative advantages?** - This question is more difficult to answer (regional integration? - not enough. Values? - everyone has some. Partnership framework - no one does this as well as the EU). An area where most work needs to be done [See separate section on this later in the report]
- **Options for a new development policy** - 5 ways forward
 - (i) Tidying up exercise - add a few things which have changed since November 2000
 - (ii) 'Tidying up +' - strengthen targets and accountability
 - (iii) Recognise security interests, but write separate document about development policy
 - (iv) A policy which incorporates foreign and security policy matters - covers all external relations (a brave option)
 - (v) An external policy which also includes trade issues - one single document (with action plans) which is binding on all departments (a very brave option)

- Question of process (bridging research and policy) - How to harmonise approaches and have a standard policy:
 - Microsoft (the same everywhere)
 - McDonald's (franchise operation): individual responsibility but following a very strict approach with strong central direction)
 - Airline alliances **code-sharing**: different actors competing and collaborating at the same time, but with a strong **cross-guarantee of quality**.

Discussion

1. Scope of the new development policy - The role of development policy in the EU's external relations

Thematic scope of development policy

- What is a good development policy? Sometimes development aid is taken to be synonymous with development policy, but there are many other issues (e.g. climate change) which are related to development. We should have a **broader notion of development**. (DG Relex)
- There are **3 large international agendas** at the moment: (1) development - MDG, (2) security, (3) sustainable development. (DG DEV)
- The **EU's external policy** (security, defence of the interests of the EU, the development of third countries, trade) is a larger concept which has to envelop others - including development policy. (DG Relex)
- For the new policy document, the **multiplicity of objectives** should be respected (Development policy should not be disconnected from other objectives - which are all united by (European) values). (ADE)
- However, **multiple priorities are no priorities unless they are weighted**. It is important to determine where development policy fits. A balanced financial architecture and external policy are required. At the moment, there is a risk of an incoherent financial framework (of the European Neighbourhood and Accession instruments stripping development funds). (ODI)
- **How money follows policy** is an important issue. There are civil society fears that development money will be captured by other concerns. The Monterrey commitments are designed to achieve the MDG - they cannot do so if they are used for other purposes. (ODI)
- A distinction between development cooperation (instrument) and development policy should be made. (DG DEV)
- If development cooperation and the partnership principle were instruments which could also be used in the Relex framework, then the cooperation between services could be much easier without a debate on competences. (DG DEV)
- The review of the November 2000 Declaration is taking place in the political context of many important events (especially the MDG progress review in 2005). (ODI)

Autonomy of development policy

- The role of development policy in the EU's external relations was discussed during the debates on the new Constitution - **development policy is part of external relations, but autonomous**, not subordinated to other concerns. (DG DEV)
- There is a need to clarify the limits of how development policy will contribute to other external policy (e.g. when a position is taken towards a third country). (DG Relex)

Geographical scope

- The terms 'policy' and 'aid' should not be confused. When we speak of aid we tend to automatically think of development policy. However, cooperation with the **MICs** also requires 'assistance'. (DG Relex).

- Development policy is not just about the ACP, it also applies to **Asia and Latin America** - universality. We should have a global vision of it, not compartmentalisation. (DG Relex)
- The old DPS was often perceived as an ACP policy document (and therefore difficult for Relex to recognise) - the revised document should reflect a wider approach. (DG Relex)
- Development policy also has a role to play in the **European Neighbourhood policy**. All issues of the MDG (social inclusion etc.) are taken into account in the Neighbourhood Policy. (DG Relex) However, the Neighbourhood Policy also covers a number of things which are not to do with development. (RDN)

Options for the new DPS

- What are the costs and benefits of the different options for a new DPS as presented by ODI? (DG Relex)
- Options 1 and 2 are not so interesting, options 3 and 4 much more so. (DG DEV)

2. An EC or an EU policy?

- A Commission document alone is not ambitious enough - it should be a **European Community document** (including the European Parliament at least). Beyond the 25+1 approach, we could go for an **EU policy statement**. (DG DEV)
- The new policy document is not a document by the Development Commissioner, but a document of the Commission - a collegiate body. It should be agreed with the other Commission Services, not just DG DEV. Afterwards, we can see whether to extend it to the whole EU. (DG Relex).
- The European approach in international organisations is fundamentally important. However, the European influence has a problem of credibility - 25+1 cooperations and policies are a waste of competence and resources. (Harmonisation is primarily a European, not a global problem.) (DG DEV)
- The aims of **coordination and complementarity** have so far been overlooked. One of the main aims of the Development Policy Statement and the CSPs was to create synergies between the EC and the MS. (RDN)
- However, achieving a single European policy between now and April 2005 is not feasible. (ODI). Hence, there can be no intention to write a general development policy of the EU now. Nevertheless, the new Development Declaration should contribute to the evolution towards a more uniform external action in the long term. We will soon have a European Foreign Minister - Why not a European Development Minister too (especially given that European positions on development policy are much more similar than those on foreign policy)? (DG DEV)
- Creating a European perspective is about the journey, not the destination, and requires a longer process than just 6 months. This process should build consensus and give a signal about where the EC wants to be - and not impose a policy from above. (ODI)

Chairperson's summary of the opening session (ECDPM)

- What is the proper scope of the EC's development policy?
- Should aid be considered in a restrictive sense or in the context of a broader external action agenda?
- Are multiple or single priorities more effective?
- The limits imposed by the timeframe
- The importance of the policy formulation process
- The question of stakeholder involvement and political debate - Is the DPS intended for internal use only or for guiding the implementation of a consensus of a multitude of stakeholders ?
- Should the European Parliament be involved?
- An EC or an EU policy?

II. SESSION 1 – IMPLEMENTATION: MAKING THE DEVELOPMENT POLICY STATEMENT OPERATIONAL

3. What are the successes of the Development Policy Statement

Improved quality and coherence

- That it exists - strengthening the quality and coherence of the cooperation strategy with each partner. (DG DEV)
- The fact that it exists is a big improvement compared to before (e.g. 1998 DAC Peer Review of EU). Some MS would like to see it strengthened (while others do not). The DPS was a success and should not be allowed to become obsolete (at least it should be updated). (ODI)
- Even if the DPS was not always taken serious by all services, it has still resulted in an improvement compared to previous years: the approaches have moved closer - improved coherence. (DG DEV)
- Looking at the CSPs, the DPS has created a more coherent framework and more consistency of policy (for instance the CSPs for ALA countries have turned from shopping lists into more coherent programmes). How this has influenced results is another issue, which depends on the implementation of the policies. (RDN)

Concentration

- For the ACP, a comparison of programmes funded by the 9th EDF and those of previous EDFs shows that there is more concentration on sectors. (DG DEV)
- Despite questions about the limited choice of sectors, the concentration on two sectors per country is beneficial. The concentration on sectors also has had a beneficial impact on at least one thing - it has allowed those sectors to focus on the main objective [of poverty eradication], and improved the overall coherence of policy. (AIDCO, DG DEV)

Trade and Development

- The DPS was very helpful from a trade perspective (especially if compared to the MS). It has allowed DG Trade to give more importance to development issues (even before the Doha Round had started). The EC is the largest donor on trade and development issues. The DG Trade communications and guidelines on trade and development would have never taken place without the priority given to the issue of trade and development in the DPS. (DG Trade)

Broad focus

- The DPS is broad in defining elements which contribute to poverty reduction. [An important question here is whether the Commission's sectoral policies are aligned to the EC's own statement or the MDG?] This broad focus should be maintained in the discussion on a new policy. (DG Relex)

Practical success

- Success stories - the proportion of aid given as direct budget support has increased from 10% in 2002 to 20% in 2004. (AIDCO)

4. What are the bottlenecks - which problems were encountered?

Focus too limited - The Focal sector approach

- While concentration on a limited number of sectors is beneficial (at country level), the introduction of **6 EC focal sectors** in 2000 was awkward - **26 new priorities** have been added since then. (DG DEV)

- Rather than keeping the straight jacket of 6 focal sectors, a focus on what **types of intervention** the EC carries out would be much more useful (e.g. budget support versus multiple projects). (DG DEV).
- DPS priorities correspond more to some groups of countries than others - they were **too focused on the poorest countries**. (DG DEV)
- We should move away from a restrictive view of sectors to tackle development problems and the agenda of the global actor EU. (AIDCO).
- Because for the Asian CSPs the EC was much less constrained by pre-determined sectors, more dialogue on cooperation strategies with the partner countries could develop (ownership). Dialogue on development cooperation strategy in a country should be treated in parallel with dialogue on others policies (especially trade) - the different policy areas should be more integrated (**policy mix**). (DG Relex)
- The **choice of sectors** for the 2000 DPS was not based on thorough analysis, but on processes at the time: the reform of the Commission, the focus on disbursements (e.g. macroeconomic support and transport sector), the MS pushing the EC away from social sector work. However, then the European Parliament request for at least 35% of spending to go to the social sectors had to be accommodated. For Asia and Latin America, spending on the social sectors is much beyond the 35%, for the ACP, it is less (if macroeconomic support for access to the social sectors -confusing- is excluded). [Budget support is mainly done in the ACP, not the other regions]. (DG Relex)
- The EC should be able to cater for a wider range of things than the focal sectors identified. Therefore, **the DPS should identify wider themes** (at regional and country level, and including the social sectors), and also take into account implementation (and concentration). (DG DEV, DG Relex) [This point is further explained under Title 8, page 14.]

Consensus (EP) and coordination (with MS) in Europe

- A big problem is that especially the social sectors were not included in the focal areas: The EP never bought into the focal sector policy, resulting in a budget process which is out of line with the policy, and an imposed focus on the social sectors. The **policy has to be accepted by both arms of the budget authority**, otherwise its impact is limited. (DG DEV)
- **Coordination** - If the DPS is a joint declaration, the **3 Cs issue** should be shared at European level, and not just be considered a task of the Commission. (AIDCO)
- We should not only consider the added value of EC cooperation, but also that of the MS. More time when the first DPS was agreed would have allowed a more consensual statement. The discussion on the EC focal areas should have been a first step in the **complementarity** debate. (ECDPM)
- Complementarity could be one of the strong points of the joint declaration (e.g. co-financing). The question is how to involve the Member States in that debate? (DG DEV)

Ownership

- The concepts of **ownership and partnership** are not fully translated into practice. (DG DEV)
- The DPS makes a strong case for ownership, but has a top-down definition of priorities. This needs rebalancing. (ODI)

Country strategies

- **Lack of flexibility** - The focal sectors of a country strategy cannot be changed once agreed. The capacity to respond is not enough taken into account. (DG DEV)
- There is a big **difference in the CSPs** for different regions: those for the ACP are effectively negotiated together with the partner country, those for other regions are not. (DG DEV)

- It is unclear how the **policy mix** happens. The CSPs born out of the DPS could be seen as instruments of Relex to programme the EC's assistance and general relationship with recipient countries, and often respect the priorities of the regional strategies more than those of the Development Policy Declaration (e.g. CSPs in Asia reflect other priorities - security, IT and technological change, and only then poverty). The policy mix is not an instrument of development policy. (RDN)
- However, it has to be taken into account that the DPS is only one of a number of strategy documents which have to contribute to policy (e.g. the Asian CSPs well reflect the policy mix). Limits have to be set and the DPS has to fit. (DG Relex)

Other Weaknesses

- There is a weakness in the **implementation of the policy**. There are good country strategy papers, but the coordination between the different programmes is often missing (a structural problem). (RDN)
- The **mainstreaming of cross-cutting issues** (e.g. environment and gender) - the wording in the statement has led to lip-service. The elements for consideration should be integrated more strongly in a new policy document. (DG DEV)
- The Development Policy Declaration of 2000 was accompanied by the reform agenda of EU external assistance. It is important not to underestimate the **implementation of the reform** of EC external assistance and correct the weaknesses which still exist - coherence, efficiency, quality [despite the current mantra of reform success and a series of results].(AIDCO)
- Should the EC develop more **expertise**? It is a political choice (not that of the Commission) to have generalists who have to change posts every four years. (DG DEV)
- How much has the DPS changed development policy? Has the increased focus on poverty reduction been achieved (if you consider that only 50% of development cooperation funding goes to low income countries). Has it achieved increased coherence of trade policy with development policy? What would constitute a success? (ODI)
- No policy can be implemented without resources. (DG DEV)
- The **allocation of resources** is based on poverty indicators, not the number of poor who can be affected by a programme (Example: 7 million poor in Nicaragua receive much more support than 50 million poor in Brazil). Setting up programmes to support increased poverty reduction capacity in countries such a Brazil would contribute to the EU goals set out in the DPS. (RDN)

5. How could the implementation of the DPS be improved? (Summary of points)

- The EC should not be constrained by the 6 focal sectors approach which does not apply in all countries. A focus on what **types of intervention** the EC carries out would be much more useful (e.g. budget support versus multiple projects). (DG DEV)
- To enable the EC to cater for a wider range of issues, the new DPS should identify **wider themes** (at regional and country level, and including the social sectors) and also take into account **implementation** (and concentration). (DG DEV, DG Relex) [This point is further explained under Title 8, page 14.]
- There should be **flexibility** in the implementation of country strategies. (DG DEV).
- The new DPS should recognise the **policy mix**: Dialogue on development cooperation strategy in a country should be treated in parallel with dialogue on others policies (especially trade), and different policy areas should be more integrated. (DG Relex, RDN)
- More thematic **expertise** would be helpful. (DG DEV).
- The top-down definition of priorities of the current DPS needs to be rebalanced with the **ownership** principle. (ODI, DG DEV)
- The **cross-cutting issues** should be integrated more strongly in the new policy document. (DG DEV)
- Development policy should take into account **number of poor** people who can be affected by it (including absorption capacity). (RDN)

- Coordination and complementarity between the Commission and the Member States should be strengthened, and the policy framework should be agreed by all relevant European Community actors, including the European Parliament. (DG DEV, AIDCO, ECDPM)
- A successful development policy requires sufficient resources. (DG DEV)

Chairperson's summary of Session 1 (ECDPM)

- The discussion identified at least 9 **impacts** of the DPS, as well as a number of **bottlenecks** in the different areas of policy. Among the **key issues** to be solved in a new DPS are:
 - The tension between focus and flexibility.
 - Complementarity
 - Taking seriously the issue of inequality beyond the poverty (indicator) focus.
 - The importance of dealing with different policy areas and making them mutually sensitive - of creating a policy mix.
 - The role of the European Parliament.
 - Moving from focal sectors to thematic priorities.

III. SESSION 2 - COMPARATIVE ADVANTAGES OF EU DEVELOPMENT POLICY

6. EC development policy comparative advantages/ added value/ specificity

- EC development policy does have specificity: it consists of **3 dimensions of cooperation** - political, trade, aid. (DG DEV).
- Another specific European contribution is the **enlarged concept of development policy** - including issues such as social inclusion or the new role of state. (RDN)
- **Partnership framework** - no one does this as well as the EU. (ODI)
- Another critical issue regarding the added value or comparative advantage of EC policy is competence: Does the EU have **competence in an area**, and does this prove a reason for action. (DG Trade)
- The text boxes below indicate a large number of other points which were the result of short brainstorming exercise:

A. Types and sources of comparative advantage of EU development policy

- | |
|--|
| 1. Vested interests play lesser role |
| 2. More protection from risk of corruption |
| 3. Cost-effectiveness of pooled resources |
| 4. Closely geared to partner countries |
| 5. High relevance to the field of development |
| 6. High quality of programmes |
| 7. Links between policy domains like development, security, foreign policy |
| 8. Advantages of pooled sovereignty |
| 9. Credibility |
| 10. Neutrality |
| 11. Size and ability to express common views - Critical mass |

- | |
|---|
| 12. Power of the EU |
| 13. Can operate all over the world |
| 14. Broader impact |
| 15. Big enough to work in expensive sectors |
| 16. Evidence of leverage e.g. in Eastern Europe |
| 17. Big enough and smart enough to stand up to the World Bank |
| 18. Offers a focal point for coordination. |
| 19. Big enough to have weight in country dialogue |
| 20. Friendly super-power |
| 21. Partnership principles and arrangements |
| 22. Reflects European values |
| 23. European approach on global issues |

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|------------------------------------|
| 24. A counterweight to US hegemony |
| 25. Avoids simplistic solutions |
| 26. Diversity |

- | |
|---|
| 27. Conducive to further EU integration |
| 28. Future-oriented constitution |

- Are these advantages listed aspirational rather than operational?

B. Why Member States might not accept these arguments

- | |
|---------------------------------|
| 1. Fear of losing power |
| 2. Lack of trust |
| 3. Need for national visibility |
| 4. Need for profile |
| 5. Worries about quality |
| 6. Worries about cost |

- This is why development cooperation is a shared and not a unique competence of the Commission.
- A joint development policy at European level is important for:
 - The creation of a '**rigueur collective**'.
 - The definition of best practises at European level
 - The dissemination and exchange of knowledge at European level.
 However, in practise, institutionalised fragmentation and unfinished reforms (designed to re-concentrate collective capacity) are a hindrance to this. (DG DEV)
- There is a **difference between the EU and the World Bank** - the EU is not a bank outside bilateral relations, but -collectively- a political animal; partner countries prefer the Commission to coordinate policy rather than individual MS (not a former colonial power - greater **political neutrality** is important). (DG DEV)
- There are at least **three groups of EU Member States** - Nordic countries (advanced agenda), Mediterranean countries (more willing to coordinate) and new Member States - and the Commission is close to different views on different issues. (AIDCO)
- Would a **model of European development policy** reduced from 25+1 to 3+1 be an improvement? No, as it is not feasible. The EU as a whole has to have **credibility** and the **capacity to influence** (there is no alternative to this), so each EU actor (the MS and the Commission) has to know what each is going to do [i.e. they should aim for coordination and complementarity]. (DG DEV)
- The '**European approach**' is different (new types of policies) and not just a lowest common denominator policy - this is a source of comparative advantage. (ODI)

7. How to strengthen EC development policy?

- With 28 aspirations and 6 or more obstacles - how can an integrated European development policy be achieved? 3 options were identified:

C. Options for the EU:

- | |
|--|
| 1. Legislate away national mandate (cf. trade) |
| 2. Just do it regardless as a leap of faith, and hope institutions catch up (cf. monetary union) |
| 3. Demonstrate excellence and offer positive incentives to join |

- Option 3 - demonstrating excellence (and not necessarily superiority) and offering positive incentives to join is most likely to lead to success. What are the areas of success of EC/EU policy?

D. Areas of success of EC/EU policy

- | |
|--|
| 1. Outcome-based conditionality |
| 2. Making the link between development, security and foreign policy (Operation Artemis in DRC) |
| 3. The African Peace Facility (where MS federate behind the EC) |

4. Co-financing with other donors, joint programming

5. Creating **networks of excellence** e.g. in health, education, transport, justice

- To strengthen the comparative advantage of a European development policy, the principle of **coordination** (between the Commission and the MS) should be strengthened. (RDN)
- At the same time, the Commission should also start to establish networks in different countries and create **pools of expertise**. Where the Commission can demonstrate excellence, the MS are encouraged to fall behind where otherwise they would not agree to the principle of EC-coordination. (RDN, ECDPM)
- Another point requiring consideration is that the voice of the developing countries is getting louder and louder. There is a trend for **alignment** with the partner country's policies, whether donors like it or not. The EC can lead in this or follow [if the Commission leads, the MS are likely to follow]. (DG DEV)
- Would it be possible to establish an **acquis communautaire of development policy**?
- EC leadership is a **trust game** - will the MS trust the Commission to lead? [There are areas where the MS do have confidence in the Commission to coordinate, e.g. in the transport sector.]
- However, to improve European development policy, the Commission also needs **formal competence** on substance and the necessary **human resources**. (DG DEV)

Chairperson's summary of Session 2 (ECDPM)

- There are at least 28 reasons for why the Commission can add value to European development policy. Not all are equally implemented/ appreciated in practice by every member of the European group [while the MS themselves also have reasons to be uncoordinated].
- As it is difficult to surf against a wave, but catching the right wave one can surf very fast, the Commission should catch the waves of willingness by MS to let it coordinate certain policies (e.g. transport). Maybe in this way a common policy can be achieved faster than through imposed coordination.
- The Commission should also use its convening power to establish networks of expertise in Europe, and listen to the voice of the developing countries calling for more coordination with their own policies.

IV. SESSION 3 – MAKING THE POVERTY FOCUS OPERATIONAL IN EU DEVELOPMENT POLICY

8. What should be the focus of EC development policy?

- How can we talk about the specificity of the EU without coming to an unhelpful list of sectors? The reasons to support an EU (EC) development policy are found in certain kinds of activities - big projects, cross-cutting issues, the link to foreign policy. (ODI)
- The focus should be on the things which the EU does well, on **things which the EC has done on the ground which the recipients appreciate** (tools, approaches, ...). (DG DEV, ODI)
- With 6 focal sectors and 26 new priorities since 2000, there are many objectives, and the EC should move away from the constraining focal sector approach **towards larger themes** [possible themes could be 'development and the rights of citizens', or 'economic growth and the development of trade'], which should allow the EU to respond to different countries according their different needs. There could be a typology of countries, perhaps complemented by a typology of instruments. (DG DEV)
- The framework for the themes is provided by **EC/EU priorities**, which constitute the unavoidable objectives/ legal basis of EC development cooperation: poverty eradication, the MDG, sustainable development, integration into the world economy, security issues.

As a global player, the EU is not called to justify that it is good at something, but has to act on these issues. (DG DEV, AIDCO)

- From this, the focus of EC development policy should be on **achieving the MDG** (and therefore on education, health and gender equality).
- While thus there are indeed many different objectives which the EC has to take into account in its development cooperation, the **specific priorities of cooperation** (the hierarchy and prioritising of objectives) **should be defined at country/regional level**, avoiding the current straight jacket of pre-determined focal sectors. (DGs DEV, AIDCO, Relex).
- For reasons of limited human resources and maximum impact, the **concentration on 2-3 areas of cooperation per country** however should be kept. (DG AIDCO).
- Hence, the answer to the question of what EC development policy should focus on does not lie in a restrictive model of a list of sectors, but in broader **themes**, which **help to structure/organise the policy without prioritising objectives**. Prioritising takes place at a different (at regional and country) level, in dialogue with partners. (ODI, DG DEV)
- Here, as was mentioned above, the EU has the weight to be a serious player in an in-country dialogue, and the strategy of agreeing cooperation priorities with the development partner and **recipient ownership** has the major advantage of allowing the EC to call on the governments concerned to contribute their part to the cooperation policy, increasing the chances of success. (DG DEV, DG Relex)
- While participants thus seemed to broadly agree on the idea of a thematic approach, some felt that a discussion on how things should be done, on strategies and instruments is still needed (e.g. poverty reduction and integration into the world economy, budget support,..).
- Moreover, the practical implications of limited human resources on supporting a broad range of objectives was raised, as the EC still has lower staffing levels than other donors. (ECDPM)

9. Which criteria should be used for selecting themes/ cooperation priorities?

- **Excellence**
- The **priorities of partner countries** - what do they look to the EU rather than to the MS for?
- The **link to other areas of Community competence** (e.g. trade - the only formal competence; and security - where the EC is strong).
- **Where others fear to tread** - a more difficult task.
- The current framework of cooperation is provided by the **MDGs, CSPs and PRSPs**. This existing framework has to be taken into account (How will partner countries react to a change in priorities?). (DG DEV)
- As the larger objectives are fixed, the themes should prioritise areas where the characteristics of the EC are an advantage (the ability to link security and development, social inclusion). (RDN)
- These are all different building blocks for the same objective. (ODI)
- Is there a choice between operationalising the objectives of the Treaty or those of the MDGs, or do we have to attend to all of them? The strength of the MDG approach is that it is more results-oriented, but European development policy should include objectives from the Treaty which go beyond the MDG (e.g. sustainable development). (DG DEV, ECDPM).
- Good concentration/focus of policy in a particular country should not necessarily be identified with **leverage** (a small programme in governance and institution-building might produce more results than a large, expensive transport sector programme).
- Flexibility is a big issue - but focus was the strength of the old DPS and there is not enough funding to do everything, so **the EC has to prioritise**. Should it prioritise where it has most success (business principle)? One should not forget that Member States'

wishes still have to be taken into account - that they have to let the EC do what it is good at. (ECDPM, ODI, DG DEV)

- Maybe a solution is to **loosely coordinate** what exists? But at which level (national or regional level, or in a political statement)? It is becoming easier to coordinate between EC and MS at national level, given the alignment agenda with developing countries' policies. (DG DEV, ECDPM)
- Identifying a restricted number of sectors is not necessarily a problem - but the list of six focal areas of the 2000 DPS was too narrow, and did not match what Europeans had agreed on at a global level (the MDGs), thereby sidelining the EC. There is added value in working on global issues, and if these are taken serious at country level, than both agendas will coincide.(DG DEV),

Chairperson's summary of Session 3 (ECDPM)

- There is a need for more flexibility regarding the areas of EC development cooperation to allow the Commission to respond to the priorities of partner countries at national, regional and global level.
- There is also a need to rethink the sector approach - although this did have some advantages, especially that of increased focus -, which could lead to a thematic approach.
- This approach could segment the regions and target more specifically the needs of different countries (flexibility) - although this discussion did not look into the typology of countries.
- There is a need to prioritise excellence (versus specificity and comparative advantage), for making best use of limited human resources, and for matching excellence with the needs of developing countries.
- There is also a need for political commitment and partnership (also requiring a more flexible approach).
- The EC needs to show [versus only claiming] the difference to other donors.
- These are elements which legitimise the EC's activities, and these should be included in the new DPS.
- Two warnings:
 - The EC should be careful about excessive concentration - it might backfire.
 - What are the measurable goals of the DPS? (The current statement is weak in defining what the EU can be held accountable for)

V. CLOSING SESSION – MAIN CONCLUSIONS OF THE DAY (ICEI, ECDPM)

What have been the effects of the 2000 DPS on policy processes, inter-institutional linkages, on implementation?

- The DPS has had a relevant **impact on policy processes**, though not necessary in the intended directions (it is not clear whether these were the same).
- It encountered a number of **obstacles**: a lacking link between the policy and budget processes, the issue of ownership (within the Commission and outside actors), and a changing international context of the EU.
- A key question when working on the new DPS is **how to overcome the limitations of the 2000 Declaration**. Several issues should be considered: the timing should allow for sufficient consultation to make the revision of the document worthwhile (there does seem to be a consensus to go beyond a simple tidying up exercise), and achieve legitimacy for the final product. The new DPS should also make a linkage with broader processes, the broader external relations strategy of the EU and for instance the new Financial Perspectives.

Content issues raised:

- How/whether to link the DPS with overall external relations policy?
- Whether to make it an EC or an EU statement?
- Are there specific areas which reflect a European approach?
- Do comparative advantages exist? If so, what are they?
- How to link policy and practice?
- Should the new policy have broader themes or more focus?
- How to ensure mainstreaming of the statement?
- How to achieve confidence and trust between the partners as a necessary condition for strengthening the credibility and effectiveness of the document?
- Should priorities be defined globally or by region?
- How permissive is the DPS?
- The adequacy of staff and management structures for the new framework (bearing in mind that a management and structural reform of EC external assistance has been implemented in parallel since 2000)

A new DPS

- There was a consensus in the discussion on the **value of the document** and the importance of its existence, and the need to review it.
- One of the problems identified was the **lack of consensus** achieved on the current statement (the fact that the European Parliament was not included in its formulation, the lack of sufficient internal discussion between the Commission Services, and the fact that to the six focal areas identified 26 priorities were added in due course). This raises the question of how to avoid such a lack of consensus a second time round.
- The **scope of the DPS** was also an important question considered: How should/does development policy (and therefore the DPS) relate to other areas of external action? There was a degree of acceptance by all external Services that the statement had a useful function.
- One fascinating area of discussion was the issue of EC **specificity**, and the request for a new framework - new thematic /priority areas.
- With the **tight time frame**, forward thinking will be difficult, and a balance has to be found between staking out a new policy quickly and building a consensus.

Participants List Brainstorming Session

NAME	DEPARTMENT	ORGANISATION/DG
Petit, Bernard	Director, Development Policy and Sectoral issues	DG DEV/B
Fransen, Lieve	Head of Unit Human and Social Development	DG DEV/B3
Costa, Rui	Transport, Infrastructure and Urban Development	DG DEV/B5
Rundell, Peter	British National Expert, Economic Co-operation and PRSPs	DG DEV
Mikos, Philip	Head of Unit, Environment, Rural Development	DG DEV B4
Boidin, Jean-Claude	Head of Unit Pan-African horizontal geographical issues	DG DEV/02
Baum, Alex	Programming, Strategic Planning and Financial Management	DG DEV/A1
Bertaina, Sereno	Relations with UN system, Member States and other OECD Donors	DG DEV/A2
Lenormand, Patrice	Relations with UN system, Member States and other OECD Donors	DG DEV/A2
Garcia Fragio, Antonio	Head of Unit Transport, Infrastructure and Urban Development	DG DEV/B/5
Thompson, Bruce	Transport, Infrastructure and Urban Development	DG DEV/B5
Kennes, Walter	Development Policy, Coherence and Forward Studies	DG DEV/B1
Lixi, Anna	Development Policy, Coherence and Forward Studies	DG DEV/B1
Moreau, Françoise	Head of Unit Development Policy, Coherence and Forward Studies	DG DEV/B1
Reale, Luana	Development Policy, Coherence and Forward Studies	DG DEV/B1
Hervio, Gilles	Head of Unit Economic cooperation and PRSP Process	DG DEV/B2
Baresch, Denis	Human and Social development	DG DEV/B3
Mollica, Enrico	Human and Social development	DG DEV/B3
Darmuzey, Philippe	Head of Unit Southern Africa	DG DEV/C3
Ceriani Sebregardi, Filiberto	Head of Unit Coordination Devolution	EUROPEAID/01
Bataller, Francisco	Deputy Head of Unit Economic Analysis	DG RELEX
Grinavo, Vincent	Assistant to Deputy Director General	DG RELEX
Motak, Thomas	Economic Analysis stagiaire	DG RELEX
Baiges, Jose	External Relations Directorate-General	DG RELEX 04
Roy, Régine	Policy Desk Officer Unit 1 Horizontal Co-ordination	DG RELEX GI
Martens, Bertin	Horizontal matters Middle East, South Mediterranean	DG RELEX/F
De Vischer, Vincent	Head of Unit Horizontal matters Asia	DG RELEX/H
Knauth, Christopher	Horizontal Matters Asia	DG RELEX/H
Heuvel, Peter van den	Coordination of WTO and OECD Matters	DG Trade
Mout, Jan-Peter	Unit for Coordination of WTO and OECD Matters	DG Trade F1
Burgio, Claire	Stagiaire	DG Trade H3
LeGal, Serge	Trade Analysis	DG Trade H3
Weiss, Claudia	Trade Analysis	DG Trade H3
Lefèbre, Luc	Expert	ADE
Caputo, Enzo	Expert	DRN
Baser, Heather	Expert	ECDPM
Bergh, Marie-Laure de	Expert	ECDPM
Engel, Paul	Director	ECDPM
Julian, Melissa	Expert	ECDPM
Julia Zinke	Expert	ECDPM
Frères, Christian	Expert	ICEI
Maxwell, Simon	Director	ODI
Rogerson, Andrew	Expert	ODI

5. Questionnaires

5.1. Questionnaire for EC Delegations

This questionnaire was also translated and sent in French and Spanish.

The European Centre for Development Policy Management (www.ecdpm.org) in conjunction with the Overseas Development Institute (www.odi.org.uk) and the Instituto Complutense de Estudios Internacionales (www.ucm.es/info/icei) have agreed to undertake a **study of the impact of the November 2000 joint declaration on EC Development Policy on behalf of the European Commission** and with funding from the UK Department for International Development. You can find the joint declaration at the following address:
http://europa.eu.int/comm/development/body/legislation/docs/council_statement.pdf#zoom=100

As part of this assessment, we are conducting an informal consultation process to elicit the view of the Delegations of the European Commission, governments and non-state actors in 20 countries. We would be very grateful if you could find time to answer this questionnaire. **It should not take you more than 15 minutes** and your views would be non-attributed and entirely "off the record" as per normal ECDPM practice. **Thank you for sending it back to us before November 12, 2004** by email (ab@ecdpm.org) or by fax (00 31 43 350 29 02).

You will find hereafter a list of eleven guided questions; most of them have multiple choices answers. **Please tick or underline the choices which correspond to your opinion and feel free to make any additional comment on your answers.**

Thank you very much for your collaboration.

Marie-Laure de Bergh
October 2004

1. According to you, did the 2000 Development Policy Statement (DPS) have an impact on the implementation of EC cooperation?

- Yes, the DPS had a major impact
- Yes, but the DPS's impact was very limited
- It's impossible to know if it had an impact
- No, it had no relevant impact

If yes, what has been its impact? *You may select more than one*

- EC aid has been delivered more efficiently
- EC aid has become more concentrated on certain sectors
- It has been possible to refer to the statement as the political basis of EC development policy
- Poverty reduction has been targeted more explicitly
- Complementarity between the EC and the Member States has been enhanced
- The statement has provided useful instruments for improving the implementation of EC cooperation
- The statement has provided targets and indicators for measuring the implementation of EC cooperation
- Other (*Please specify*)

Comments:

- 2. Does the EC have a comparative advantage in relation to other donors in the following six focal sectors identified in the 2000 Development Policy Statement?**
Please indicate the relative importance of the EC's comparative advantage in the following 6 focal areas (range 0-5; 0 is no importance, 1 is weak and 5 is strong).

- Trade
- Regional integration and cooperation
- Support for macroeconomic policies and promotion of equitable access to social services
- Transport
- Food security and sustainable rural development
- Institutional capacity building

Comments:

- 3. In your view, what is the EC best at in the field of development cooperation? You may select more than one**

In terms of sectors?

- health
- education
- population policies assistance
- water and sanitation
- government and civil society
- other social policies
- transport and storage
- communication
- energy generation and supply
- banking and financial services
- business and other services
- structural adjustment
- food security
- other general programme
- action related to debt
- relief/emergency food aid
- other emergency and distress relief
- support to NGOs
- Other (*Please specify*)

In terms of approaches?

- Partnership
- Co-financing with other donors
- Focus on outcomes
- Regional approach to development problems
- Other (*Please specify*)

Comments:

- 4. Which criteria should determine the selection of priorities of EC cooperation? You may select more than one**

- Excellence in certain sectors
- Areas related to Community competence (eg. Trade),
- Areas not covered by other donors,
- The existence of a European dimension and of European values,
- Size of EC development assistance
- Grant nature of EC development assistance
- Greater political neutrality
- Other (*Please specify*)

Comments:

5. Has the EU moved sufficiently forward on implementing complementarity between the EC and the Member States?

Yes No

If not, how could it be improved? *You may select more than one*

- Defining a clear division of labor between the Member States and the EC
- Having a shared EC/Member States database with all reports, useful documents, etc... for each sector
- Increasing co-financing between the EC and the Member States
- Having an EU Development Policy Statement – which would not only apply to the European Community but also to the Member States
- Other (*Please specify*)

6. Is/was the DPS a useful tool to guide your work in the following areas?

	Yes	No
- political dialogue with your partner country		
- preparation of the Country Strategy Papers / programming phase		
- mid-term reviews		
- implementation		
- evaluations		
- reporting to EC headquarters		
- coordination with the EU Head of Missions		
- other (<i>Please specify</i>)		

Comments and/or examples:

7. Please rank the following aspects in terms of their relative importance for what you would consider to be a “useful EC Development Policy Statement”. Put a 1 next to the most important and 7 for the least important (8 if you add “other” aspect).

- contextual analysis
- objective (eg. poverty reduction)
- comparative advantages (eg. volume of EC aid)
- priorities (eg. infrastructure sector and regional approach)
- targets and output indicators (eg. contributing to reducing poverty by 5% in 5 years)
- mutual accountability between donor and recipient country
- a wide stakeholder consultation during its definition
- other (*Please specify*)

Comments:

8. According to you, were the cross-cutting themes defined in the November 2000 Development Policy Statement adequately mainstreamed?

	Yes	No
- Human rights		
- Children rights		
- Environmental issues		
- gender		

If not, what have been the main obstacles to mainstreaming these cross-cutting themes in the implementation of EC cooperation? *You may choose more than one*

- lack of qualified human resources in the Delegations
- lack of qualified human resources in the Brussels headquarters including lack of an identified focal point
- lack of appropriate guidelines
- lack of appropriate training
- lack of an Intranet site with basic documents and best practices on the subject
- lack of an informal inter-delegation networks on these subjects
- other (*Please specify*)

9. Do you think focal sectors should be defined in a policy document, such as the Development Policy Statement, or would it better to do this at country/regional level?

- Best in overall DPS
- Better at country/regional level
- Other (specify)

Comments:

10. Do you have other comments on the 2000 Development Policy Statement and what the next DPS should contain?

Many thanks for your time.

Please send us back the questionnaire by email (ab@ecdpm.org) or by fax (00 31 43 350 29 02)

5.2. Questionnaire for Governments and NSAs

This questionnaire was also translated and sent in French and Spanish.

The European Centre for Development Policy Management (www.ecdpm.org) in conjunction with the Overseas Development Institute (www.odi.org.uk) and the Instituto Complutense de Estudios Internacionales (www.ucm.es/info/icei) have agreed to undertake a **study of the impact of the November 2000 joint declaration on EC Development Policy on behalf of the European Commission** and with funding from the UK Department for International Development. The purpose of this declaration was to guide the European Community's action towards developing countries. You can find the joint declaration at the following address:

http://europa.eu.int/comm/development/body/legislation/docs/council_statement.pdf#zoom=100

The European Commission would like to know the views of beneficiaries of its development policy on that matter. As part of this assessment, we are to conducting an informal consultation process to elicit the view of governments and non-state actors as well as EC delegations in 20 countries. We would be very grateful if you could find time to answer this questionnaire. **It should not take you more than 15 minutes** and your views would be non-attributed and entirely "off the record" as per normal ECDPM practice. **Thank you for sending it back to us before November 12, 2004** by email (ab@ecdpm.org) or by fax (00 31 43 350 29 02).

You will find hereafter a list of eleven guided questions; most of them have multiple choices answers. **Please tick or underline the choices which correspond to your opinion and feel free to make any additional comment on your answers.**

Thank you very much for your collaboration.

Marie-Laure de Bergh
October 2004

1. Does the 2000 Development Policy Statement relate to your national development priorities and plan?

Yes No

Comments:

2. According to you, did the 2000 Development Policy Statement (DPS) have an impact on the implementation of EC cooperation?

- Yes, the DPS had a major impact
- Yes, but the DPS's impact was very limited
- It's impossible to know if it had an impact
- No, it had no relevant impact

If yes, what has been its impact? *You may select more than one*

- EC aid has been delivered more efficiently
- EC aid has become more concentrated on certain sectors
- It has been possible to refer to the statement as the political basis of EC development policy
- Poverty reduction has been targeted more explicitly
- Complementarity between the EC and the Member States has been enhanced
- The statement has provided useful instruments for improving the implementation of EC cooperation
- The statement has provided targets and indicators for measuring the implementation of EC cooperation
- Other (*Please specify*)

Comments:

3. Does the EC have a comparative advantage in relation to other donors in the following six focal sectors identified in the 2000 Development Policy Statement?

Please indicate the relative importance of the EC's comparative advantage in the following 6 focal areas (range 0-5; 0 is no importance, 1 is weak and 5 is strong).

- Trade
- Regional integration and cooperation
- Support for macroeconomic policies and promotion of equitable access to social services
- Transport
- Food security and sustainable rural development
- Institutional capacity building

Comments:

4. In your view, what is the EC best at in the field of development cooperation? You may select more than one

In terms of sectors?

- health
- education
- population policies
- assistance
- water and sanitation
- government and civil society
- other social policies
- transport and storage
- communication
- energy generation and supply
- banking and financial services
- business and other services
- structural adjustment
- food security
- other general programme
- action related to debt
- relief/emergency food aid
- other emergency and distress relief
- support to NGOs
- Other (*Please specify*)

In terms of approaches?

- Partnership
- Co-financing with other donors
- Focus on outcomes
- Regional approach to development problems
- Other (*Please specify*)

Comments:

5. Which criteria should determine the selection of priorities of EC cooperation? You may select more than one

- Excellence in certain sectors
- Areas related to Community competence (eg. Trade),
- Areas not covered by other donors,
- The existence of a European dimension and of European values,
- Size of EC development assistance
- Grant nature of EC development assistance
- Greater political neutrality
- Other (*Please specify*)

Comments:

The EC support is in grant form, did this help you leverage other funding? For governments only

Yes No

If yes, could you provide examples? For governments only

6. Has the EU moved sufficiently forward on implementing complementarity between the EC and the Member States?

Yes No

If not, how could it be improved? You may select more than one

Questionnaires

- Defining a clear division of labor between the Member States and the EC
- Having a shared EC/Member States database with all reports, useful documents, etc... for each sector
- Increasing co-financing between the EC and the Member States
- Having an EU Development Policy Statement – which would not only apply to the European Community but also to the Member States
- Other (*Please specify*)

7. Do/did you find the DPS to be a useful tool to guide your work with the European Union in the following areas?

	Yes	No
- political dialogue with the EC		
- preparation of the Country Strategy Papers / programming phase		
- mid-term reviews		
- implementation		
- evaluations		
- other (<i>Please specify</i>)		

8. Do you think the 2000 Development Policy Statement, with six defined focal sectors, is flexible enough for the European Commission to take into account your priorities when it comes to negotiating the Country Strategy Papers?

Yes No

Comments:

9. Do you think focal sectors should not be defined in a policy document, such as the EC Development Policy Statement, but rather at country/regional level?

Yes No

Comments:

10. Should the 2000 Development Policy Statement be modified to better meet your needs?

Yes No

If yes, what should be modified? *You may choose more than one*

- poverty reduction objective
- six focal sectors
- cross cutting areas (gender, environment, human rights, children rights, governance in a global sense)
- other (*Please specify*)

11. Do you have other comments on the 2000 Development Policy Statement and what the next DPS should contain?

Many thanks for your time.

Please send us back the questionnaire by email (ab@ecdpm.org) or by fax (00 31 43 350 29 02).

5.3. Overview of returned questionnaires

NAOs	EC Delegations	NSAs
Alabania	Afghanistan	AECI (Bolivia)
Gobierno de Bolivia	Albania	Prodecoop (Nicaragua)
Macedonia	Argentina	Association of Lesotho Employers (Lesotho)
Malawi	Benin	Catholic Commission for Justice and Peace (Malawi)
South Africa	Cameroon	Economic Policy Institute "Bishkek Consensus" (Kyrgystan)
	Ethiopia	Groupement des Exploitants Agricoles (Benin)
	Ghana	Groupe d'Initiative Commune des Promoteurs du Développement Durable au Cameroun (Cameroon)
	Kyrgyzstan	Institut Supérieur de Management Public (Cameroon)
	Malawi	Institute for Global Dialogue (South Africa)
	Mozambique	Laboratoire des Formations Superficielles (Maroc)
	Senegal	Organismo para o Desenvolvimento socio- Economico Integrado (Mozambique)
	Solomon Islands	Programme de Développements Municipal (Benin)
	South Africa	Secrétaire à l'Education Ouvrière; Confédération des Syndicats Autonomes du Bénin (Benin)
	Suriname	SG CNTS (Senegal)
	Nicaragua	University of Yaoundé (Cameroon)
	Kazakhstan	InterAfrica Group (Ethiopia)
	Uruguay	Afghan civil society forum (Afghanistan)
		Philippine Institute for Development Studies (Philippines)

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